



Kerr McGee Oil and Gas Onshore LP
1368 SOUTH 1200 EAST • VERNAL, UT 84078
435-789-4433 • FAX 435-781-7094

July 31, 2007

Diana Whitney
State of Utah
Division of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, UT 84114-5801

RE: Directional Drilling R649-3-11
NBU 1022-13I4S 1724'FSL, 1824'FWL (Surface)
1360'FSL, 440'FEL (Bottomhole)
Uintah County, Utah

Dear Ms. Whitney:

Pursuant to filling of Kerr McGee Oil & Gas Onshore L.P. Application for Permit to Drill regarding the above referenced well on July 31, 2007, we are hereby submitting this letter in accordance with Oil & Gas Conservation Rule R649-3-11 pertaining to the Exception to location and siting of wells.

- NBU 1022-13I4S is located within the Natural Buttes Unit Area.
- Kerr McGee Oil & Gas Onshore L.P., is permitting this well as a directional well in order to minimize surface disturbance. Locating the well at the surface location and directionally drilling from this location, Kerr McGee Oil & Gas Onshore L.P., will be able to utilize the existing road and pipeline in the area.
- Furthermore, Kerr McGee Oil & Gas Onshore L.P. hereby certifies that it is the sole working interest owner within 460 feet of the entire directional well bore.

Therefore, based on the above stated information Kerr McGee Oil & Gas Onshore L.P. requests that the permit be granted pursuant to R649-3-11.

Sincerely,


Sheila Upchegge
Senior Land Admin Specialist

RECEIVED

AUG 06 2007

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL			5. MINERAL LEASE NO: STUO-08512-ST	6. SURFACE: State
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>			7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
8. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>			8. UNIT or CA AGREEMENT NAME: UNIT #891008900A	
2. NAME OF OPERATOR: KERR MCGEE OIL & GAS ONSHORE L.P.			9. WELL NAME and NUMBER: NBU 1022-1314S	
3. ADDRESS OF OPERATOR: 1368 S 1200 E CITY VERNAL STATE UT ZIP 84078			PHONE NUMBER: (435) 781-7024	
10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES			11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 13 10S 22E	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1724' FSL, 1824' FWL AT PROPOSED PRODUCING ZONE: 1360' FSL, 440' FEL 637499 X 4422839 Y 39.946405 -109.390523 638419 X 4422749 Y 39.945441 -109.379775			12. COUNTY: UINTAH	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 27.7 MILES SOUTH OF OURAY, UTAH			13. STATE: UTAH	
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 1724'		16. NUMBER OF ACRES IN LEASE: 600.00		17. NUMBER OF ACRES ASSIGNED TO THIS WELL:
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) REFER TO TOPO C		19. PROPOSED DEPTH: 8,120		20. BOND DESCRIPTION: 22013542 22013542
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5293' GL		22. APPROXIMATE DATE WORK WILL START:		23. ESTIMATED DURATION:

24.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT		
12 1/4"	9 5/8	32.3#	H-40	2,100	265 SX CLASS G	1.18 YIELD	15.6 PPG
7 7/8"	4 1/2	11.6#	I-80	8,120	1300 SX 50/50 POZ	1.31 YIELD	14.3 PPG

25. ATTACHMENTS	
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:	
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER	<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN
<input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER	<input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) SHEILA UPCHEGO TITLE SENIOR LAND ADMIN SPECIALIST
SIGNATURE *Sheila Upchego* DATE 7/31/2007

(This space for State use only)

API NUMBER ASSIGNED: 43-04739475

Approved by the
Utah Division of
Oil, Gas and Mining
APPROVAL:

Date: 09-04-07
By: *[Signature]*

RECEIVED

AUG 06 2007

DIV. OF OIL, GAS & MINING

T10S, R22E, S.L.B.&M.

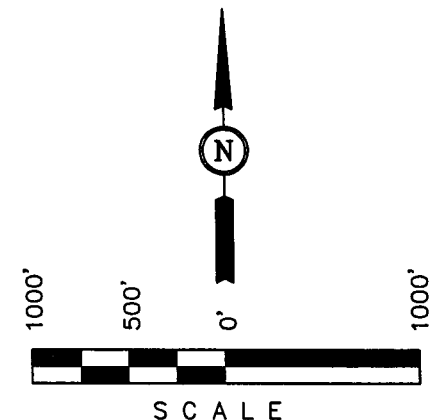
Kerr-McGee Oil & Gas Onshore LP

Well location, NBU #1022-13I4S, located as shown in the NE 1/4 SW 1/4 of Section 13, T10S, R22E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

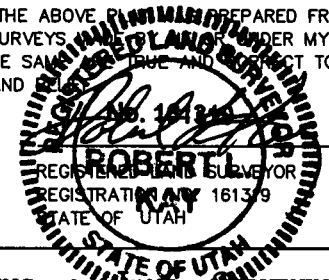
TWO WATER TRIANGULATION STATION LOCATED IN THE NW 1/4 OF SECTION 1, T10S, R21E, S.L.B.&M. TAKEN FROM THE BIG PACK MTN NE, QUADRANGLE, UTAH, Uintah County, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5238 FEET.

LINE TABLE		
LINE	DIRECTION	LENGTH
L1	N66°30'50"E	504.70'



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLANS WERE PREPARED FROM
FIELD NOTES OF ACTUAL SURVEYS AND ARE CORRECT UNDER MY
SUPERVISION AND THAT THE SAID PLANS ARE TRUE AND
BEST OF MY KNOWLEDGE AND BELIEF.



UTAH ENGINEERING & SURVEYING
5 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 5-17-07	DATE DRAWN: 6-13-07
PARTY D.K. L.K. K.G.	REFERENCES G.L.O. PLAT	
WEATHER COOL	FILE Kerr-McGee Oil & Gas Onshore LP	

LEGEND:

- L = 90° SYMBOL
 ● = PROPOSED WELL HEAD.
 ▲ = SECTION CORNERS LOCATED.

W 1/4 Cor. Sec. 24,
-1991 Alum. Cap, 0.3'
High, Pile of Stones

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

(NAD 83)
LATITUDE = 39°56'46.97" (39.946381)
LONGITUDE = 109°23'27.93" (109.391092)
(NAD 27)
LATITUDE = 39°56'47.09" (39.946414)
LONGITUDE = 109°23'25.48" (109.390411)

**NBU 1022-13I4S
NE/SW SEC. 13, T10S, R22E
UINTAH COUNTY, UTAH
UTSTUO-08512-ST**

ONSHORE ORDER NO. 1

DRILLING PROGRAM

1. Estimated Tops of Important Geologic Markers:

<u>Formation</u>	<u>Depth</u>
Uinta	0- Surface
Green River	935'
Top of Birds Nest Water	1229'
Mahogany	1607'
Wasatch	3959'
Mesaverde	6190'
MVU2	7017'
MVL1	7581'
TD	8120'

2. Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations:

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Water	Green River	935'
	Top of Birds Nest Water	1229'
	Mahogany	1607'
Gas	Wasatch	3959'
Gas	Mesaverde	6190'
Gas	MVU2	7017'
Gas	MVL1	7581'
Water	N/A	
Other Minerals	N/A	

3. Pressure Control Equipment (Schematic Attached)

Please refer to the attached Drilling Program.

4. Proposed Casing & Cementing Program:

Please refer to the attached Drilling Program.

5. Drilling Fluids Program:

Please refer to the attached Drilling Program.

The operator will use fresh water mud with 0-8% Bio Diesel.

6. **Evaluation Program:**

Please refer to the attached Drilling Program.

7. **Abnormal Conditions:**

Maximum anticipated bottomhole pressure calculated at 8120' TD, approximately equals 5034 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 3248 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. **Anticipated Starting Dates:**

Drilling is planned to commence immediately upon approval of this application.

9. **Variances:**

Please refer to the attached Drilling Program.

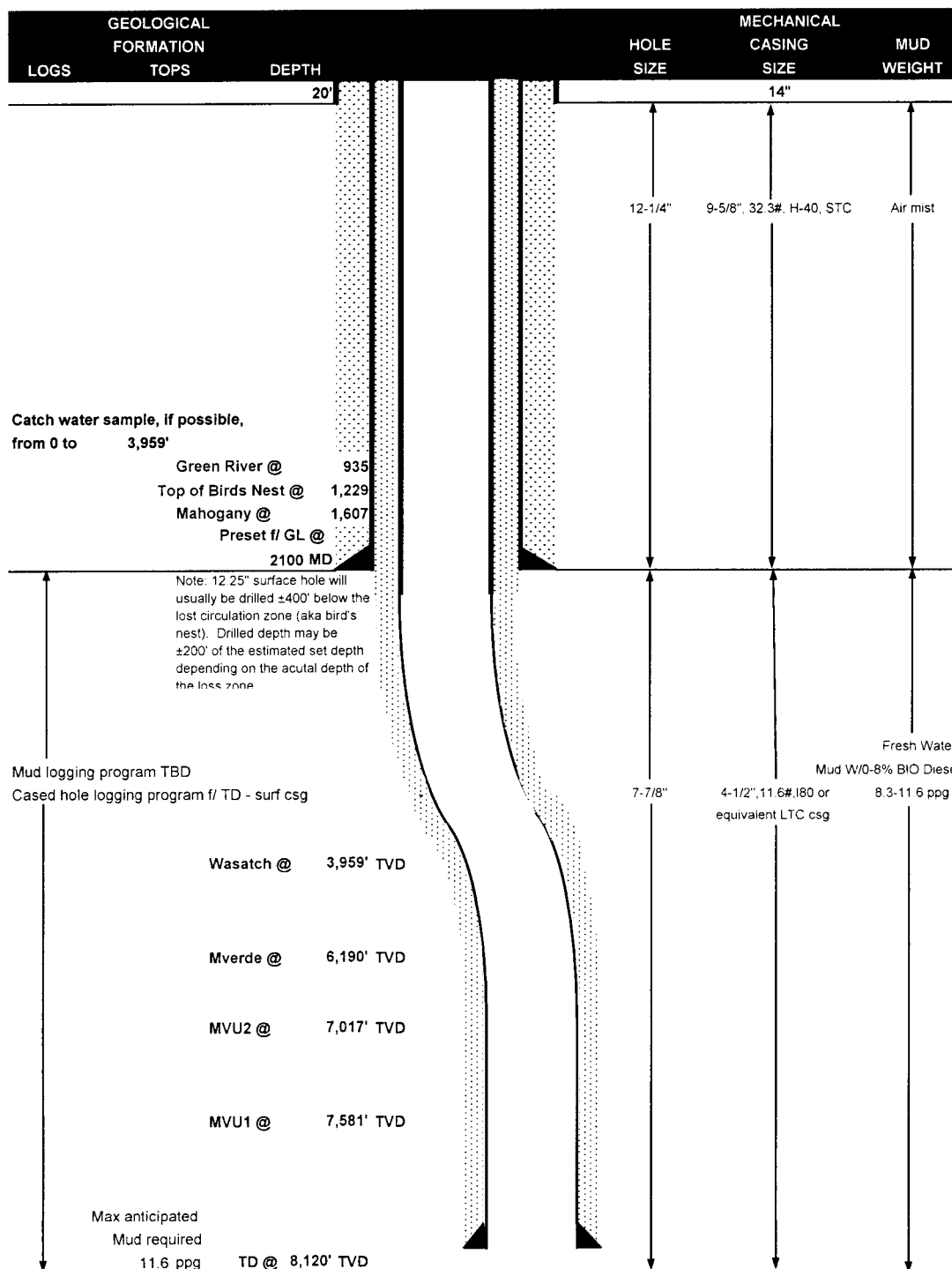
10. **Other Information:**

Please refer to the attached Drilling Program.

KERR-McGEE OIL & GAS ONSHORE LP

DRILLING PROGRAM

COMPANY NAME	KERR-MCGEE OIL & GAS ONSHORE LP	DATE	July 31, 2007	
WELL NAME	NBU 1022-134S	TD	8,120'	TVD
FIELD	Natural Buttes	COUNTY	Uintah	STATE Utah
		ELEVATION	5,293' GL	KB 5,308'
SURFACE LOCATION	NE/SW SEC. 13, T10S, R22E 1724'FSL, 1824'FWL			
	Latitude: 39.946381 Longitude: 109.391092			
BTM HOLE LOCATION	SE/NE/SE SEC. 13, T10S, R22E 1360'FSL, 440'FEL			
OBJECTIVE ZONE(S)	Wasatch/Mesaverde			
ADDITIONAL INFO	Regulatory Agencies: UDOGM (MINERALS AND SURFACE), BLM, Tri-County Health Dept.			





KERR-McGEE OIL & GAS ONSHORE LP **DRILLING PROGRAM**

CASING PROGRAM

	SIZE	INTERVAL	WT.	GR.	CPLG.	DESIGN FACTORS		
						BURST	COLLAPSE	TENSION
CONDUCTOR	14"	0-40'				2270	1370	254000
SURFACE	9-5/8"	0 to 2100	32.30	H-40	STC	0.73*****	1.39	4.28
PRODUCTION	4-1/2"	0 to 8120	11.60	I-80	LTC	2.50	1.30	2.45

- 1) Max Anticipated Surf. Press. (MASP) (Surface Casing) = (Pore Pressure at next csg point - (0.22 psi/ft - partial evac gradient x TVD of next csg point))
2) MASP (Prod Casing) = Pore Pressure at TD - (22 psi/ft - partial evac gradient x TD)
(Burst Assumptions: TD = 0.0 ppg) 22 psi/ft = gradient for partially evac wellbore
(Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)
MASP 3112 psi

***** Burst SF is low but csg is much stronger than formation at 2000'. EMW @ 2000' for 2270# is 21.8 ppg or 1.13 psi/ft

CEMENT PROGRAM

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE Option 1	LEAD	500	Premium cmt + 2% CaCl + .25 pps flocele	215	60%	15.60	1.18
	TOP OUT CMT (1)	200	20 gals sodium silicate + Premium cmt + 2% CaCl + .25 pps flocele	50		15.60	1.18
	TOP OUT CMT (2)	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
SURFACE Option 2	NOTE: If well will circulate water to surface, option 2 will be utilized						
	LEAD	1500	65/35 Poz + 6% Gel + 10 pps gilsonite + .25 pps Flocele + 3% salt BWOW	360	35%	12.60	1.81
	TAIL	500	Premium cmt + 2% CaCl + .25 pps flocele	180	35%	15.60	1.18
	TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
PRODUCTION	LEAD	5,690'	Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	620	60%	11.00	3.38
	TAIL	2,430'	50/50 Poz/G + 10% salt + 2% gel +.1% R-3	680	60%	14.30	1.31

*Substitute caliper hole volume plus 15% excess if accurate caliper is obtained

FLOAT EQUIPMENT & CENTRALIZERS

SURFACE	Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe.
PRODUCTION	Float shoe, 1 jt, float collar. Centralize first 3 joints & every third joint to top of tail cement with bow spring centralizers.

ADDITIONAL INFORMATION

Test casing head to 750 psi after installing. Test surface casing to 1,500 psi prior to drilling out.

BOPE: 11" 5M with one annular and 2 rams. Test to 5,000 psi (annular to 2,500 psi) prior to drilling out. Record on chart recorder & tour sheet. Function test rams on each trip. Maintain safety valve & inside BOP on rig floor at all times. Kelly to be equipped with upper & lower kelly valves.

Drop Totco surveys every 2000'. Maximum allowable hole angle is 5 degrees.

Most rigs have PVT System for mud monitoring. If no PVT is available, visual monitoring will be utilized.

DRILLING ENGINEER:

Brad Laney

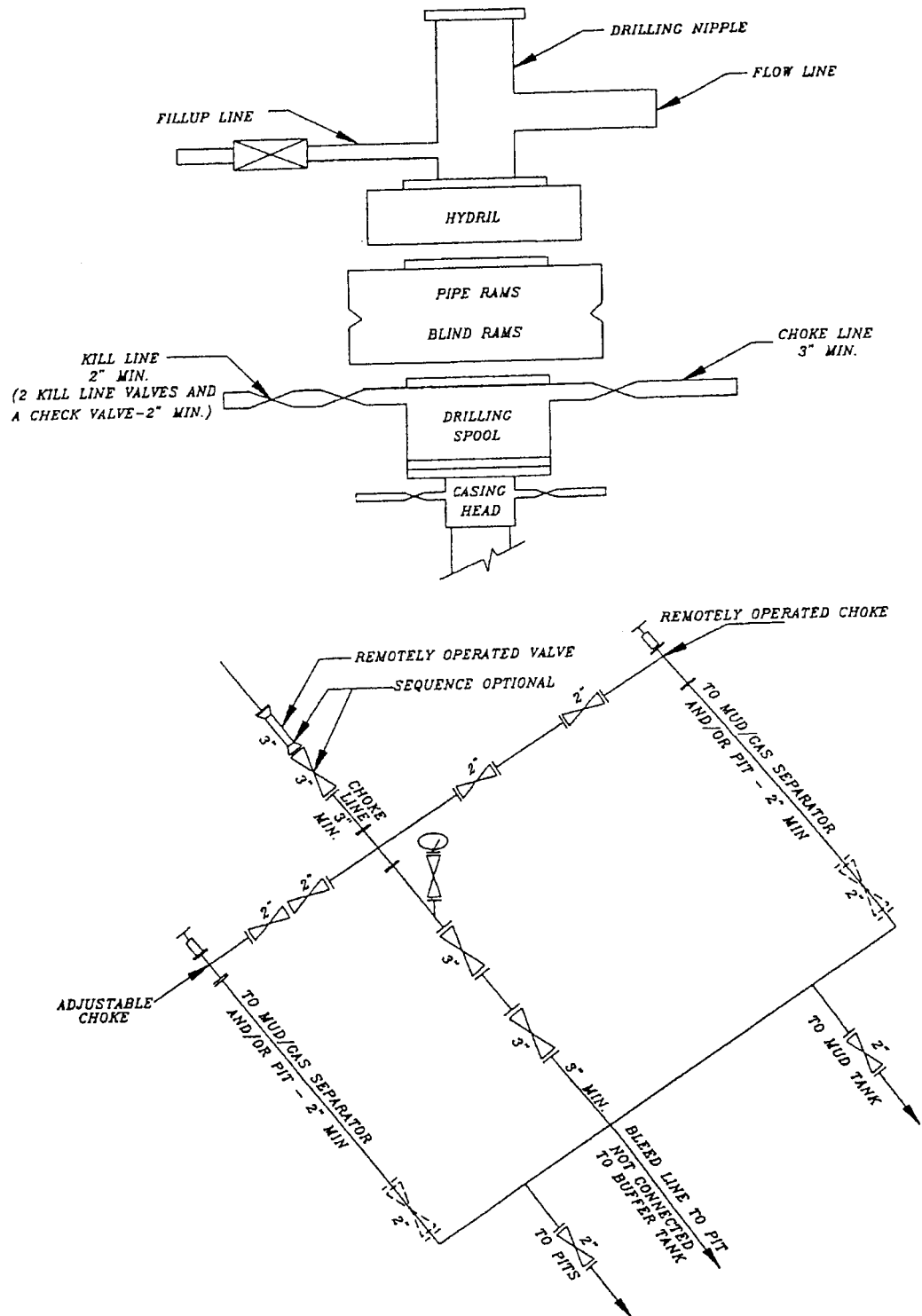
DATE:

DRILLING SUPERINTENDENT:

Randy Bayne

DATE:

5M BOP STACK and CHOKE MANIFOLD SYSTEM



**NBU 1022-13I4S
NE/SW SEC. 13, T10S, R22E
Uintah County, UT
UTSTUO-08512-ST**

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. Existing Roads:

Refer to Topo Map A for directions to the location.

Refer to Topo Maps A and B for location of access roads within a 2-mile radius.

Refer to Topo Maps A and B for location of access roads within a 2 mile radius.

All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.

2. Planned Access Roads:

The operator will utilize an existing access road. Refer to Topo Map B for the location of the existing access road.

The upgraded and new portions of the access road will be crowned and ditched with a running surface of 18 feet and a maximum disturbed width of 30 feet. Appropriate water control will be installed to control erosion.

Existence of pipelines; maximum grade; turnouts; major cut and fills, culverts, or bridges; gates, cattle guards, fence cuts, or modifications to existing facilities were determined at the on-site.

The access road was centerline flagged during time of staking.

Surfacing material may be necessary, depending upon weather conditions.

Surface disturbance and vehicular traffic will be limited to the approved location and approved access route. Any additional area needed will be approved in advance.

3. Location of Existing Wells Within a 1-Mile Radius:

Please refer to Topo Map C.

4. Location of Existing & Proposed Facilities:

The following guidelines will apply if the well is productive.

All production facilities will be located on the disturbed portion of the well pad and at a minimum of 25 feet from the toe of the back slope or the top of the fill slope.

A dike will be constructed completely around those production facilities which contain

fluids (i.e., production tanks, produced water tanks, and/or heater/treater). These dikes will be constructed of compacted subsoil, be impervious, hold 100% of the capacity of the largest tank, and be independent of the back cut.

All permanent (on-site six months or longer) above the ground structures constructed or installed, including pumping units, will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the five state Rocky Mountain Inter-Agency Committee.

All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The required color is Carlsbad Canyon, standard color number 2.5Y 6/2.

Any necessary pits will be properly fenced to protect livestock and prevent wildlife entry.

A 30' rights of way will be required for approximately 12,184' +/- of 6" steel pipeline is proposed. The pipeline shall run from the location into Section 18, T10S, R23E (Lease #UTU-38421) and travel north into Sec. 7, T10S, R23E (Lease #UTU-49226) to tie-in to an existing pipeline. Refer to the attached Topo Map D for pipeline placement.

A 30' rights of way will be required for approximately 12,184' +/- of 10" steel pipeline is proposed. The pipeline shall run from the location into Section 18, T10S, R23E (Lease #UTU-38421) and travel north into Sec. 7, T10S, R23E (Lease #UTU-49226) to tie-in to an existing pipeline. Refer to the attached Topo Map D for pipeline placement.

5. Location and Type of Water Supply:

Water for drilling purposes will be obtained from Dalbo Inc.'s underground well located in Ouray, Utah, Sec. 32, T4S, R3E, Water User Claim #43-8496, Application #53617.

Water will be hauled to location over the roads marked on Maps A and B.

No water well is to be drilled on this lease.

6. Source of Construction Materials:

Surface and subsoil materials in the immediate area will be utilized.

Any gravel will be obtained from a commercial source.

7. Methods of Handling Waste Materials:

Drill cuttings will be contained and buried in the reserve pit.

Drilling fluids, including salts and chemicals, will be contained in the reserve pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be removed and disposed of at an approved waste disposal facility within 120 days after drilling is terminated.

The reserve pit will be constructed on the location and will not be located within natural drainage, where a flood hazard exists or surface runoff will destroy or damage the pit walls. The reserve pit will be constructed so that it will not leak, break, or allow discharge of liquids.

Due to difficult topography and proximity to the White River, the reserve pit will be constructed utilizing a double liner and felt. The liner will be approximately 60 mil in thickness versus our standard 20 mil and the reserve pit will also have a leak detection system installed between the liners.

Any spills of oil, gas, salt water, or other noxious fluids will be immediately cleaned up and removed to an approved disposal site.

A chemical porta-toilet will be furnished with the drilling rig.

Garbage, trash, and other waste materials will be collected in a portable, self-contained, fully enclosed trash cage during operations. No trash will be burned on location.

All debris and other waste material not contained in the trash cage will be cleaned up and removed from the location immediately after removal of the drilling rig.

Any open pits will be fenced during the operations. The fencing will be maintained until such time as the pits are backfilled.

No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

Any produced water from the proposed well will be contained in a water tank and will then be hauled By truck to one of the pre-approved disposal sites: RNI, Sec. 5, T9S, R22E, NBU #159, Sec. 35, T9S, R21E, Ace Oilfield, Sec. 2, T6S, R20E, MC&MC, Sec. 12, T6S, R19E.

8. Ancillary Facilities:

None are anticipated.

9. Well Site Layout: (See Location Layout Diagram)

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s).

Please see the attached diagram to describe rig orientation, parking areas, and access roads.

The reserve pit will be lined, and when the reserve pit is closed, the pit liner will be buried below plow depth.

All pits will be fenced according to the following minimum standards:

39 inch net wire will be used with at least one strand of barbed wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.

The net wire shall be no more than two inches above the ground. The barbed wire shall be three inches over the net wire. Total height of the fence shall be at least 42 inches.

Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.

Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any 2 fence posts shall be no greater than 16 feet.

All wire shall be stretched, by using a stretching device, before it is attached to corner posts.

The reserve pit fencing will be on three sides during drilling operations, and on the fourth side when the rig moves off location. Pits will be fenced and maintained until cleanup.

Location size may change prior to the drilling of the well due to current rig availability. If the proposed location is not large enough to accommodate the drilling rig the location will be re-surveyed and a Form 9 shall be submitted.

10. Plans for Reclamation of the Surface:

Producing Location:

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, materials, trash, and debris not required for production.

Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1.

A plastic, nylon reinforced liner will be used, it shall be torn and perforated before backfilling of the reserve pit.

Before any dirt work associated with location restoration takes place, the reserve pit shall be as dry as possible. All debris in it will be removed. Other waste and spoil materials will be disposed of immediately upon completion of operations.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The reserve pit will be reclaimed within 90 days from the date of well completion, weather permitting.

To prevent surface water (s) from standing (ponding) on the reclaimed reserve pit area, final reclamation of the reserve pit will consist of "mounding" the surface three feet above surrounding ground surface to allow the reclaimed pit area to drain effectively.

Upon completion of backfilling, leveling, and recontouring, the stockpiled topsoil will be spread evenly over the reclaimed area(s).

Dry Hole/Abandoned Location:

Abandoned well sites, roads, and other disturbed areas will be restored as near as practical to their original condition. Where applicable, these conditions include the re-establishment of irrigation systems, the re-establishment of appropriate soil conditions, and re-establishment of vegetation as specified.

All disturbed surfaces will be recontoured to the approximate natural contours, with reclamation of the well pad and access road to be performed as soon as practical after final abandonment. Reseeding operations will be performed after completion of other reclamation operations.

11. Surface Ownership:

SITLA
675 East 500 South, Suite 500
Salt Lake City, UT 84102

12. Other Information:

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, the approved Plan of Operations, and any applicable Notice of Lessees. The Operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

The Operator will control noxious weeds along Rights-Of-Way for roads, pipelines, well sites, or other applicable facilities.

A Class III archaeological survey will be submitted when report becomes available.

This location is not within 460' from the boundary of the Natural Buttes Unit, nor is it within 460' of any non-committed tract lying within the boundaries of the Unit.

13. Lessee's or Operators's Representative & Certification:

Sheila Upchego
Senior Land Admin Specialist
Kerr-McGee Oil & Gas Onshore LP
1368 South 1200 East.
Vernal, UT 84078
(435) 781-7024

Randy Bayne
Drilling Manager
Kerr-McGee Oil & Gas Onshore LP
1368 South 1200 East
Vernal, UT 84078
(435)781-7018

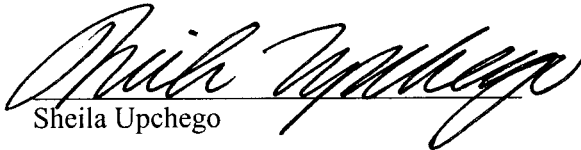
Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

Kerr-McGee Oil & Gas Onshore LP is considered to be the operator of the subject well. Kerr-McGee Oil & Gas Onshore LP agrees to be responsible under terms and conditions of the lease for the operations conducted upon leased lands.

Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by State Surety Bond #RLB0005237.

I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions that currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by the Operator, its contractors, and subcontractors in conformity with this plan and the terms and conditions under which it is approved.


Sheila Upchego

7/31/2007

Date



Weatherford™

Drilling Services

Proposal



ANADARKO - KERR McGEE

NBU#1022-1314

UINTAH COUNTY, UTAH

WELL FILE: PLAN 1

DATE: JULY 12, 2007

Weatherford International, Ltd.

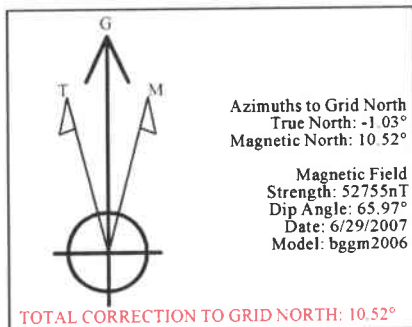
15710 John F. Kennedy Blvd

Houston, Texas 77032 USA

+1.281.260.1300 Main

+1.281.260.4730 Fax

www.weatherford.com



SECTION DETAILS										
Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.00	0.00	95.39	0.00	0.00	0.00	0.00	0.00	0.00	
2	2160.00	0.00	95.39	2160.00	0.00	0.00	0.00	0.00	0.00	
3	3493.33	40.00	95.39	3387.63	-42.00	444.84	3.00	95.39	446.82	
4	6503.69	40.00	95.39	5693.70	-223.88	2371.29	0.00	0.00	2381.84	
5	8503.69	0.00	95.39	7535.15	-286.88	3038.56	2.00	180.00	3052.07	
6	9088.54	0.00	95.39	8120.00	-286.88	3038.56	0.00	0.00	3052.07	PBHL

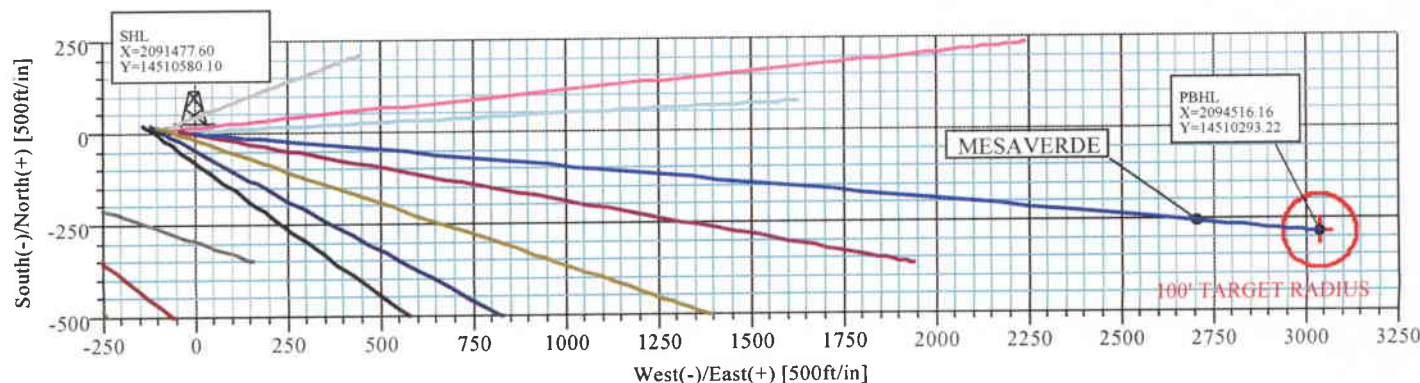
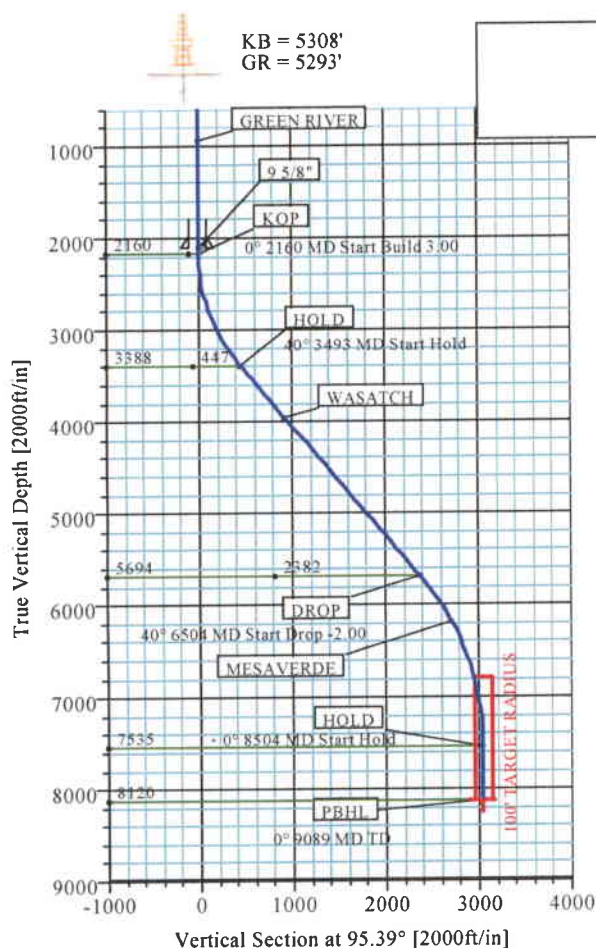
WELL DETAILS							
Name	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Slot
1022-1314	0.00	0.00	14510580.10	2091477.60	39°56'46.895N	109°23'26.518W	N/A

TARGET DETAILS						
Name	TVD	+N/-S	+E/-W	Northing	Easting	Shape
PBHL	8120.00	-286.88	3038.56	14510293.22	2094516.16	Circle (Radius: 100)

FIELD DETAILS	
UINTAH COUNTY, UTAH (UTM Zone 12N-NAD 27)	
Geodetic System:	Universal Transverse Mercator (USfeet)
Ellipsoid:	NAD27 (Clarke 1866)
Zone:	UTM Zone 12, North 114W to 108W
Magnetic Model:	bggm2006
System Datum:	Mean Sea Level
Local North:	Grid North

CASING DETAILS				
No	TVD	MD	Name	Size
1	2100.00	2100.00	9 5/8"	9 62

FORMATION TOP DETAILS			
No.	TVDPath	MDPath	Formation
1	935.00	935.00	GREEN RIVER
2	3959.00	4239.20	WASATCH
3	6190.00	7103.45	MESAVERDE



Weatherford Drilling Services

DIRECTIONAL PLAN REPORT



Weatherford

Company: Anadarko-Kerr-McGee		Date: 7/13/2007	Time: 10:30:52	Page: 1
Field: UINTAH COUNTY, UTAH (UTM Zone 12N-NAD 27)		Co-ordinate(NE) Reference:	Site: NBU 1022-1314, Grid North	
Site: NBU 1022-1314		Vertical (TVD) Reference:	SITE: 5308.0	
Well: 1022-1314		Section (VS) Reference:	Well (0.00N,0.00E,95.39Azi)	
Wellpath: 1		Survey Calculation Method:	Minimum Curvature Db: Sybase	

Plan: Plan #1	Date Composed: 7/11/2007
Principal: Yes	Version: 1
	Tied-to: From Surface

Field: UINTAH COUNTY, UTAH (UTM Zone 12N-NAD 27)	
Map System: Universal Transverse Mercator (USfeet)	Map Zone: UTM Zone 12, North 114W to 108W
Geo Datum: NAD27 (Clarke 1866)	Coordinate System: Site Centre
Sys Datum: Mean Sea Level	Geomagnetic Model: bggm2006

Site: NBU 1022-1314	
Site Position:	Northing: 14510580.10 ft Latitude: 39 56 46.895 N
From: Map	Easting: 2091477.60 ft Longitude: 109 23 26.518 W
Position Uncertainty: 0.00 ft	North Reference: Grid
Ground Level: 5293.00 ft	Grid Convergence: 1.03 deg

Well: 1022-1314		Slot Name:	
Well Position: +N/-S 0.00 ft	Northing: 14510580.10 ft	Latitude: 39 56 46.895 N	
+E/-W 0.00 ft	Easting: 2091477.60 ft	Longitude: 109 23 26.518 W	
Position Uncertainty: 0.00 ft			

Wellpath: 1		Drilled From: Surface
Current Datum: SITE	Height: 5308.00 ft	Tie-on Depth: 0.00 ft
Magnetic Data: 6/29/2007		Above System Datum: Mean Sea Level
Field Strength: 52755 nT		Declination: 11.55 deg
Vertical Section: Depth From (TVD)	+N/-S	Mag Dip Angle: 65.97 deg
ft	ft	Direction
		deg
0.00	0.00	0.00 95.39

Plan Section Information										
MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg	Target
0.00	0.00	95.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2160.00	0.00	95.39	2160.00	0.00	0.00	0.00	0.00	0.00	0.00	
3493.33	40.00	95.39	3387.63	-42.00	444.84	3.00	3.00	0.00	95.39	
6503.69	40.00	95.39	5693.70	-223.88	2371.29	0.00	0.00	0.00	0.00	
8503.69	0.00	95.39	7535.15	-286.88	3038.56	2.00	-2.00	0.00	180.00	
9088.54	0.00	95.39	8120.00	-286.88	3038.56	0.00	0.00	0.00	0.00	PBHL

Survey										
MD ft	Incl deg	Azim deg	TVD ft	N/S ft	E/W ft	VS ft	DLS deg/100ft	MapN ft	MapE ft	Comment
2100.00	0.00	95.39	2100.00	0.00	0.00	0.00	0.00	14510580.10	2091477.60	9 5/8" KOP
2160.00	0.00	95.39	2160.00	0.00	0.00	0.00	0.00	14510580.10	2091477.60	
2200.00	1.20	95.39	2200.00	-0.04	0.42	0.42	3.00	14510580.06	2091478.02	
2300.00	4.20	95.39	2299.87	-0.48	5.11	5.13	3.00	14510579.62	2091482.71	
2400.00	7.20	95.39	2399.37	-1.42	14.99	15.06	3.00	14510578.68	2091492.59	
2500.00	10.20	95.39	2498.21	-2.84	30.05	30.18	3.00	14510577.26	2091507.65	
2600.00	13.20	95.39	2596.12	-4.74	50.24	50.46	3.00	14510575.36	2091527.84	
2700.00	16.20	95.39	2692.83	-7.13	75.50	75.83	3.00	14510572.97	2091553.10	
2800.00	19.20	95.39	2788.09	-9.99	105.76	106.23	3.00	14510570.11	2091583.36	
2900.00	22.20	95.39	2881.62	-13.31	140.95	141.58	3.00	14510566.79	2091618.55	
3000.00	25.20	95.39	2973.18	-17.09	180.96	181.77	3.00	14510563.01	2091658.56	
3100.00	28.20	95.39	3062.51	-21.31	225.69	226.69	3.00	14510558.79	2091703.29	
3200.00	31.20	95.39	3149.36	-25.96	275.01	276.23	3.00	14510554.14	2091752.61	
3300.00	34.20	95.39	3233.50	-31.04	328.79	330.25	3.00	14510549.06	2091806.39	
3400.00	37.20	95.39	3314.70	-36.53	386.88	388.60	3.00	14510543.57	2091864.48	

MD ft	Incl deg	Azim deg	TVD ft	N/S ft	E/W ft	VS ft	DLS deg/100ft	MapN ft	MapE ft	Comment
3493.33	40.00	95.39	3387.63	-42.00	444.84	446.82	3.00	14510538.10	2091922.44	HOLD
3500.00	40.00	95.39	3392.74	-42.40	449.11	451.11	0.00	14510537.70	2091926.71	
3600.00	40.00	95.39	3469.35	-48.44	513.10	515.39	0.00	14510531.66	2091990.70	
3700.00	40.00	95.39	3545.95	-54.49	577.10	579.66	0.00	14510525.61	2092054.70	
3800.00	40.00	95.39	3622.55	-60.53	641.09	643.94	0.00	14510519.57	2092118.69	
3900.00	40.00	95.39	3699.16	-66.57	705.09	708.22	0.00	14510513.53	2092182.69	WASATCH
4000.00	40.00	95.39	3775.76	-72.61	769.08	772.50	0.00	14510507.49	2092246.68	
4100.00	40.00	95.39	3852.37	-78.65	833.08	836.78	0.00	14510501.45	2092310.68	
4200.00	40.00	95.39	3928.97	-84.70	897.07	901.06	0.00	14510495.40	2092374.67	
4239.20	40.00	95.39	3959.00	-87.06	922.15	926.26	0.00	14510493.04	2092399.75	
4300.00	40.00	95.39	4005.58	-90.74	961.06	965.34	0.00	14510489.36	2092438.66	
4400.00	40.00	95.39	4082.18	-96.78	1025.06	1029.62	0.00	14510483.32	2092502.66	
4500.00	40.00	95.39	4158.79	-102.82	1089.05	1093.90	0.00	14510477.28	2092566.65	
4600.00	40.00	95.39	4235.39	-108.86	1153.05	1158.17	0.00	14510471.24	2092630.65	
4700.00	40.00	95.39	4311.99	-114.90	1217.04	1222.45	0.00	14510465.20	2092694.64	
4800.00	40.00	95.39	4388.60	-120.95	1281.03	1286.73	0.00	14510459.15	2092758.63	
4900.00	40.00	95.39	4465.20	-126.99	1345.03	1351.01	0.00	14510453.11	2092822.63	
5000.00	40.00	95.39	4541.81	-133.03	1409.02	1415.29	0.00	14510447.07	2092886.62	
5100.00	40.00	95.39	4618.41	-139.07	1473.02	1479.57	0.00	14510441.03	2092950.62	
5200.00	40.00	95.39	4695.02	-145.11	1537.01	1543.85	0.00	14510434.99	2093014.61	
5300.00	40.00	95.39	4771.62	-151.16	1601.01	1608.13	0.00	14510428.94	2093078.61	
5400.00	40.00	95.39	4848.23	-157.20	1665.00	1672.40	0.00	14510422.90	2093142.60	
5500.00	40.00	95.39	4924.83	-163.24	1728.99	1736.68	0.00	14510416.86	2093206.59	
5600.00	40.00	95.39	5001.43	-169.28	1792.99	1800.96	0.00	14510410.82	2093270.59	
5700.00	40.00	95.39	5078.04	-175.32	1856.98	1865.24	0.00	14510404.78	2093334.58	
5800.00	40.00	95.39	5154.64	-181.37	1920.98	1929.52	0.00	14510398.73	2093398.58	
5900.00	40.00	95.39	5231.25	-187.41	1984.97	1993.80	0.00	14510392.69	2093462.57	
6000.00	40.00	95.39	5307.85	-193.45	2048.96	2058.08	0.00	14510386.65	2093526.56	
6100.00	40.00	95.39	5384.46	-199.49	2112.96	2122.36	0.00	14510380.61	2093590.56	
6200.00	40.00	95.39	5461.06	-205.53	2176.95	2186.63	0.00	14510374.57	20936	

Weatherford Drilling Services

DIRECTIONAL PLAN REPORT



Weatherford

Company: Anadarko-Kerr-McGee Field: UINTAH COUNTY, UTAH (UTM Zone 12N-NAD 27) Site: NBU 1022-1314 Well: 1022-1314 Wellpath: 1	Date: 7/13/2007 Co-ordinate(NE) Reference: Site: NBU 1022-1314, Grid North Vertical (TVD) Reference: SITE 5308.0 Section (VS) Reference: Well (0.00N,0.00E,95.39Azi) Survey Calculation Method: Minimum Curvature	Page: 3 Db: Sybase
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Survey

MD ft	Incl deg	Azim deg	TVD ft	N/S ft	E/W ft	VS ft	DLS deg/100ft	MapN ft	MapE ft	Comment
8300.00	4.07	95.39	7331.63	-286.20	3031.35	3044.83	2.00	14510293.90	2094508.95	
8400.00	2.07	95.39	7431.49	-286.70	3036.69	3050.20	2.00	14510293.40	2094514.29	
8500.00	0.07	95.39	7531.46	-286.88	3038.56	3052.07	2.00	14510293.22	2094516.16	
8503.69	0.00	95.39	7535.15	-286.88	3038.56	3052.07	2.00	14510293.22	2094516.16	HOLD
8600.00	0.00	95.39	7631.46	-286.88	3038.56	3052.07	0.00	14510293.22	2094516.16	
8700.00	0.00	95.39	7731.46	-286.88	3038.56	3052.07	0.00	14510293.22	2094516.16	
8800.00	0.00	95.39	7831.46	-286.88	3038.56	3052.07	0.00	14510293.22	2094516.16	
8900.00	0.00	95.39	7931.46	-286.88	3038.56	3052.07	0.00	14510293.22	2094516.16	
9000.00	0.00	95.39	8031.46	-286.88	3038.56	3052.07	0.00	14510293.22	2094516.16	
9088.54	0.00	95.39	8120.00	-286.88	3038.56	3052.07	0.00	14510293.22	2094516.16	PBHL

Targets

Name	Description	Dir.	TVD ft	+N/-S ft	+E/-W ft	Map Northing ft	Map Easting ft	<--- Latitude --->			<--- Longitude --->				
	Dip.							Deg	Min	Sec	Deg	Min	Sec		
PBHL			8120.00	-286.88	3038.56	14510293.22	2094516.16	39	56	43.517	N	109	22	47.572	W
-Circle (Radius: 100)															
-Plan hit target															

Casing Points

MD ft	TVD ft	Diameter in	Hole Size in	Name
2100.00	2100.00	9.62	12.25	9 5/8"

Annotation

MD ft	TVD ft	
2160.00	2160.00	KOP
3493.33	3387.63	HOLD
6503.69	5693.70	DROP
7744.53	6784.85	INT. TGT CYLINDER
8503.69	7535.15	HOLD
9088.53	8119.99	PBHL

Formations

MD ft	TVD ft	Formations	Lithology	Dip Angle deg	Dip Direction deg
935.00	935.00	GREEN RIVER		0.00	0.00
4239.20	3959.00	WASATCH		0.00	0.00
7103.45	6190.00	MESAVERDE		0.00	0.00

Weatherford Drilling Services

Anticollision Report



Weatherford

Company:	Anadarko-Kerr-McGee	Date:	7/13/2007	Time:	09:56:51	Page:	1
Field:	UINTAH COUNTY, UTAH (UTM Zone 12N-NAD 27)	Co-ordinate(NE) Reference:	Site: NBU 1022-1314, Grid North				
Reference Site:	NBU 1022-1314	Vertical (TVD) Reference:	SITE 5308.0				
Reference Well:	1022-1314	Db: Sybase					
Reference Wellpath:	1						

NO GLOBAL SCAN: Using user defined selection & scan criteria				Reference:	Plan: Plan #1
Interpolation Method:	MD	Interval:	100.00 ft	Error Model:	ISCWSA Ellipse
Depth Range:	0.00 to	9088.54 ft	Scan Method:	Closest Approach 3D	
Maximum Radius:	10000.00 ft		Error Surface:	Ellipse	

Plan: Plan #1	Date Composed: 7/11/2007
	Version: 1
Principal: Yes	Tied-to: From Surface

Summary

Site	Offset Wellpath Well	Wellpath	Reference MD ft	Offset MD ft	Ctr-Ctr Distance ft	Edge Distance ft	Separation Factor	Warning
NBU 1022-13J4S	13J4S	1 V0 Plan: Plan #2 V1	2300.00	2301.24	21.31	11.93	2.27	

Site: NBU 1022-13J4S
Well: 13J4S
Wellpath: 1 V0 Plan: Plan #2 V1

Inter-Site Error: 0.00 ft

Reference MD ft	TVD ft	Offset MD ft	TVD ft	Semi-Major Axis Ref ft	Offset ft	TFO-HS deg	Offset Location North ft	East ft	Ctr-Ctr Distance ft	Edge Distance ft	Separation Factor	Warning
0.00	0.00	0.00	0.00	0.00	0.00	279.88	3.50	-20.10	20.40	20.22	114.61	No Data
100.00	100.00	100.00	100.00	0.09	0.09	279.88	3.50	-20.10	20.40	19.81	34.18	
200.00	200.00	200.00	200.00	0.30	0.30	279.88	3.50	-20.10	20.40	19.39	20.09	
300.00	300.00	300.00	300.00	0.51	0.51	279.88	3.50	-20.10	20.40	18.97	14.22	
400.00	400.00	400.00	400.00	0.72	0.72	279.88	3.50	-20.10	20.40	18.55	11.01	
500.00	500.00	500.00	500.00	0.93	0.93	279.88	3.50	-20.10	20.40	18.13	8.98	
600.00	600.00	600.00	600.00	1.14	1.14	279.88	3.50	-20.10	20.40	17.71	7.58	
700.00	700.00	700.00	700.00	1.35	1.35	279.88	3.50	-20.10	20.40	17.29	6.56	
800.00	800.00	800.00	800.00	1.56	1.56	279.88	3.50	-20.10	20.40	16.87	5.78	
900.00	900.00	900.00	900.00	1.76	1.76	279.88	3.50	-20.10	20.40	16.45	5.17	
1000.00	1000.00	1000.00	1000.00	1.97	1.97	279.88	3.50	-20.10	20.40	16.04	4.67	
1100.00	1100.00	1100.00	1100.00	2.18	2.18	279.88	3.50	-20.10	20.40	15.62	4.26	
1200.00	1200.00	1200.00	1200.00	2.39	2.39	279.88	3.50	-20.10	20.40	15.20	3.92	
1300.00	1300.00	1300.00	1300.00	2.60	2.60	279.88	3.50	-20.10	20.40	14.78	3.63	
1400.00	1400.00	1400.00	1400.00	2.81	2.81	279.88	3.50	-20.10	20.40	14.36	3.38	
1500.00	1500.00	1500.00	1500.00	3.02	3.02	279.88	3.50	-20.10	20.40	13.94	3.16	
1600.00	1600.00	1600.00	1600.00	3.23	3.23	279.88	3.50	-20.10	20.40	13.52	2.97	
1700.00	1700.00	1700.00	1700.00	3.44	3.44	279.88	3.50	-20.10	20.40	13.10	2.80	
1800.00	1800.00	1800.00	1800.00	3.65	3.65	279.88	3.50	-20.10	20.40	12.68	2.64	
1900.00	1900.00	1900.00	1900.00	3.86	3.86	279.88	3.50	-20.10	20.40	12.27	2.51	
2000.00	2000.00	2000.00	2000.00	4.07	4.07	279.88	3.50	-20.10	20.40	11.85	2.38	
2100.00	2100.00	2100.00	2100.00	4.28	4.28	279.88	3.50	-20.10	20.40	11.50	2.28	
2200.00	2200.00	2200.35	2200.35	4.49	4.49	184.61	3.52	-19.75	20.48	11.93	2.27	
2300.00	2299.87	2301.24	2301.15	4.70	4.70	185.92	3.69	-15.75	21.31	11.93	2.27	
2400.00	2399.37	2402.16	2401.71	4.91	4.92	188.38	4.07	-7.33	23.11	13.34	2.37	
2500.00	2498.21	2503.13	2501.85	5.15	5.14	191.46	4.65	5.51	25.91	15.77	2.55	
2600.00	2596.12	2604.19	2601.41	5.41	5.39	194.69	5.42	22.77	29.77	19.25	2.83	
2700.00	2692.83	2705.35	2700.22	5.71	5.68	197.71	6.39	44.41	34.69	23.79	3.18	
2800.00	2788.09	2806.64	2798.09	6.08	6.01	200.39	7.56	70.43	40.70	29.38	3.60	
2900.00	2881.62	2908.08	2894.87	6.53	6.39	202.67	8.92	100.79	47.78	36.00	4.06	
3000.00	2973.18	3009.70	2990.37	7.08	6.86	204.58	10.48	135.46	55.91	43.60	4.54	
3100.00	3062.51	3111.53	3084.42	7.73	7.40	206.17	12.22	174.41	65.07	52.15	5.03	
3200.00	3149.36	3213.58	3176.86	8.50	8.04	207.50	14.16	217.60	75.25	61.60	5.51	
3300.00	3233.50	3315.90	3267.52	9.39	8.77	208.63	16.29	264.98	86.42	71.95	5.97	
3400.00	3314.70	3416.47	3354.82	10.41	9.59	209.33	18.52	314.85	99.14	83.67	6.41	
3500.00	3392.74	3515.01	3440.16	11.55	10.44	208.78	20.73	364.07	116.05	99.63	7.07	

Weatherford Drilling Services

Anticollision Report



Weatherford

Company: Anadarko-Kerr-McGee Field: UINTAH COUNTY, UTAH (UTM Zone 12N-NAD 27) Reference Site: NBU 1022-1314 Reference Well: 1022-1314 Reference Wellpath: 1	Date: 7/13/2007 Co-ordinate(NE) Reference: Vertical (TVD) Reference:	Time: 09:56:51 Site: NBU 1022-1314, Grid North SITE 5308.0	Page: 2 Db: Sybase
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Site: NBU 1022-13J4S
Well: 13J4S
Wellpath: 1 V0 Plan: Plan #2 V1

Inter-Site Error: 0.00 ft

Reference MD ft	Reference TVD ft	Offset MD ft	Offset TVD ft	Semi-Major Axis Ref ft	Semi-Major Axis Offset ft	Semi-Major Axis TFO-HS deg	Offset Location North ft	Offset Location East ft	Ctr-Ctr Distance ft	Edge Distance ft	Separation Factor	Warning
3600.00	3469.35	3613.18	3525.18	12.78	11.31	207.73	22.93	413.10	134.95	117.50	7.73	
3700.00	3545.95	3711.35	3610.20	14.03	12.20	206.94	25.13	462.14	153.89	135.37	8.31	
3800.00	3622.55	3809.52	3695.21	15.32	13.11	206.32	27.33	511.17	172.85	153.22	8.81	
3900.00	3699.16	3907.69	3780.23	16.62	14.04	205.83	29.53	560.21	191.83	171.07	9.24	
4000.00	3775.76	4005.87	3865.25	17.94	14.98	205.42	31.73	609.25	210.81	188.92	9.63	
4100.00	3852.37	4104.04	3950.27	19.27	15.93	205.08	33.93	658.28	229.81	206.75	9.97	
4200.00	3928.97	4202.21	4035.29	20.61	16.89	204.80	36.13	707.32	248.81	224.58	10.27	
4300.00	4005.58	4300.38	4120.31	21.96	17.86	204.55	38.33	756.36	267.82	242.41	10.54	
4400.00	4082.18	4398.55	4205.33	23.31	18.83	204.34	40.53	805.39	286.83	260.23	10.78	
4500.00	4158.79	4496.72	4290.34	24.67	19.80	204.15	42.73	854.43	305.84	278.04	11.00	
4600.00	4235.39	4594.89	4375.36	26.04	20.78	203.99	44.93	903.46	324.86	295.85	11.20	
4700.00	4311.99	4693.06	4460.38	27.41	21.77	203.84	47.13	952.50	343.88	313.65	11.38	
4800.00	4388.60	4791.23	4545.40	28.78	22.75	203.71	49.32	1001.54	362.90	331.45	11.54	
4900.00	4465.20	4889.40	4630.42	30.16	23.74	203.59	51.52	1050.57	381.93	349.25	11.69	
5000.00	4541.81	4987.58	4715.44	31.53	24.74	203.48	53.72	1099.61	400.95	367.05	11.83	
5100.00	4618.41	5079.74	4795.51	32.92	25.56	203.35	55.77	1145.20	420.47	385.46	12.01	
5200.00	4695.02	5168.69	4873.76	34.30	26.18	203.11	57.66	1187.44	441.89	406.02	12.32	
5300.00	4771.62	5256.76	4952.18	35.68	26.73	202.76	59.46	1227.47	465.29	428.67	12.71	
5400.00	4848.23	5343.88	5030.65	37.07	27.27	202.33	61.15	1265.28	490.65	453.37	13.16	
5500.00	4924.83	5429.97	5109.02	38.46	27.77	201.83	62.75	1300.87	517.96	480.09	13.68	
5600.00	5001.43	5514.97	5187.17	39.85	28.24	201.29	64.25	1334.28	547.22	508.82	14.25	
5700.00	5078.04	5598.82	5264.96	41.24	28.69	200.71	65.65	1365.52	578.40	539.54	14.88	
5800.00	5154.64	5681.45	5342.29	42.63	29.09	200.12	66.96	1394.63	611.49	572.21	15.57	
5900.00	5231.25	5762.83	5419.03	44.02	29.47	199.51	68.17	1421.66	646.45	606.80	16.30	
6000.00	5307.85	5842.90	5495.09	45.41	29.82	198.90	69.29	1446.66	683.28	643.29	17.09	
6100.00	5384.46	5921.63	5570.37	46.80	30.14	198.30	70.32	1469.68	721.93	681.64	17.92	
6200.00	5461.06	5998.99	5644.79	48.20	30.43	197.70	71.27	1490.78	762.37	721.81	18.79	
6300.00	5537.67	6074.94	5718.26	49.59	30.69	197.12	72.13	1510.03	804.58	763.76	19.71	
6400.00	5614.27	6149.48	5790.72	50.99	30.93	196.55	72.92	1527.50	848.50	807.45	20.67	
6500.00	5690.87	6222.58	5862.09	52.38	31.14	196.01	73.62	1543.26	894.11	852.83	21.66	
6600.00	5768.51	6294.87	5932.96	53.63	31.32	195.23	74.26	1557.50	939.98	898.64	22.74	
6700.00	5848.29	6367.07	6004.00	54.68	31.48	194.54	74.84	1570.38	984.49	943.23	23.86	
6800.00	5930.12	6439.18	6075.18	55.67	31.63	193.91	75.36	1581.91	1027.61	986.43	24.96	
6900.00	6013.92	6511.22	6146.50	56.60	31.75	193.34	75.81	1592.08	1069.31	1028.24	26.03	
7000.00	6099.56	6583.19	6217.92	57.47	31.85	192.83	76.21	1600.89	1109.57	1068.63	27.10	
7100.00	6186.96	6655.08	6289.42	58.28	31.93	192.36	76.54	1608.36	1148.38	1107.60	28.16	
7200.00	6276.00	6726.91	6360.99	59.02	31.99	191.94	76.82	1614.47	1185.70	1145.12	29.22	
7300.00	6366.57	6800.00	6433.92	59.70	32.03	191.54	77.03	1619.31	1221.52	1181.18	30.28	
7400.00	6458.56	6870.39	6504.22	60.32	32.05	191.18	77.18	1622.66	1255.84	1215.77	31.34	
7500.00	6551.87	6942.04	6575.84	60.88	32.05	190.84	77.28	1624.73	1288.63	1248.87	32.41	
7600.00	6646.38	7013.63	6647.43	61.37	32.03	190.53	77.31	1625.46	1319.87	1280.48	33.50	
7700.00	6741.96	7108.16	6741.96	61.81	32.03	190.20	77.31	1625.46	1348.79	1293.62	34.65	
7800.00	6838.52	7204.72	6838.52	62.18	32.07	189.91	77.31	1625.46	1374.42	1319.44	35.81	
7900.00	6935.92	7302.12	6935.92	62.50	32.12	189.68	77.31	1625.46	1396.73	1341.96	36.97	
8000.00	7034.05	7400.25	7034.05	62.76	32.16	189.48	77.31	1625.46	1415.68	1361.15	38.13	
8100.00	7132.80	7499.00	7132.80	62.96	32.21	189.33	77.31	1625.46	1431.24	1376.99	39.29	
8200.00	7232.03	7598.23	7232.03	63.11	32.25	189.21	77.31	1625.46	1443.40	1389.46	40.45	
8300.00	7331.63	7697.83	7331.63	63.20	32.30	189.13	77.31	1625.46	1452.13	1398.53	41.61	
8400.00	7431.49	7797.69	7431.49	63.24	32.35	189.08	77.31	1625.46	1457.42	1404.19	42.77	
8500.00	7531.46	7897.66	7531.46	63.24	32.40	189.06	77.31	1625.46	1459.27	1406.43	43.93	
8600.00	7631.46	7997.66	7631.46	63.24	32.46	284.45	77.31	1625.46	1459.28	1366.26	45.09	

Weatherford Drilling Services

Anticollision Report



Weatherford

Company:	Anadarko-Kerr-McGee	Date: 7/13/2007	Time: 09:56:51	Page: 3
Field:	UINTAH COUNTY, UTAH (UTM Zone 12N-NAD 27)			
Reference Site:	NBU 1022-1314	Co-ordinate(NE) Reference:	Site: NBU 1022-1314, Grid North	
Reference Well:	1022-1314	Vertical (TVD) Reference:	SITE 5308.0	
Reference Wellpath:	1	Db: Sybase		

Site: NBU 1022-13J4S
Well: 13J4S
Wellpath: 1 V0 Plan: Plan #2 V1

Inter-Site Error: 0.00 ft

Reference		Offset		Semi-Major Axis			Offset Location		Ctr-Ctr Distance ft	Edge Distance ft	Separation Factor	Warning
MD ft	TVD ft	MD ft	TVD ft	Ref ft	Offset ft	TFO-HS deg	North ft	East ft				
8700.00	7731.46	8097.66	7731.46	63.27	32.51	284.45	77.31	1625.46	1459.28	1366.17	15.67	
8800.00	7831.46	8197.66	7831.46	63.30	32.57	284.45	77.31	1625.46	1459.28	1366.08	15.66	
8900.00	7931.46	8297.66	7931.46	63.33	32.62	284.45	77.31	1625.46	1459.28	1365.99	15.64	
9000.00	8031.46	8397.66	8031.46	63.37	32.68	284.45	77.31	1625.46	1459.28	1365.90	15.63	
9088.54	8120.00	8486.20	8120.00	63.40	32.73	284.45	77.31	1625.46	1459.28	1365.81	15.61	

Kerr-McGee Oil & Gas Onshore LP

NBU #1022-13K-3T, #1022-13O4S, #1022-13O1CS, #1022-13O2S,
#1022-13D4S, #1022-13I3S, #1022-13O1AS, #1022-13J4S, #1022-
13I4S, #1022-13L4S, #1022-13L3S, #1022-13K3S, #1022-13M2AS,
#1022-13N2S, #1022-13N1S, #1022-13M2CS & #1022-13M1S
SECTION 13, T10S, R22E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 0.3 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 12.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 1.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 1.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN RIGHT AND PROCEED IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 0.5 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 3.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN RIGHT AND PROCEED IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 0.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN LEFT AND PROCEED IN A SOUTHEASTERLY, THEN SOUTHWESTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 5.1 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY, THEN SOUTHWESTERLY DIRECTION APPROXIMATELY 1.9 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 58.7 MILES.

Kerr-McGee Oil & Gas Onshore LP

NBU #1022-13K-3T, #1022-13O4S, #1022-13O1CS, #1022-13O2S,
#1022-13K4S, #1022-13I3S, #1022-13O1AS, #1022-13J4S,
#1022-13I4S, #1022-13L4S, #1022-13L3S, #1022-13K3S,
#1022-13M2AS, #1022-13N2S, #1022-13N1S, #1022-13M2CS
& #1022-13M1S

LOCATED IN UINTAH COUNTY, UTAH
SECTION 13, T10S, R22E, S.L.B.&M.



PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKES

CAMERA ANGLE: SOUTHERLY



PHOTO: VIEW OF EXISTING ACCESS

CAMERA ANGLE: WESTERLY



- Since 1964 -

UELS Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

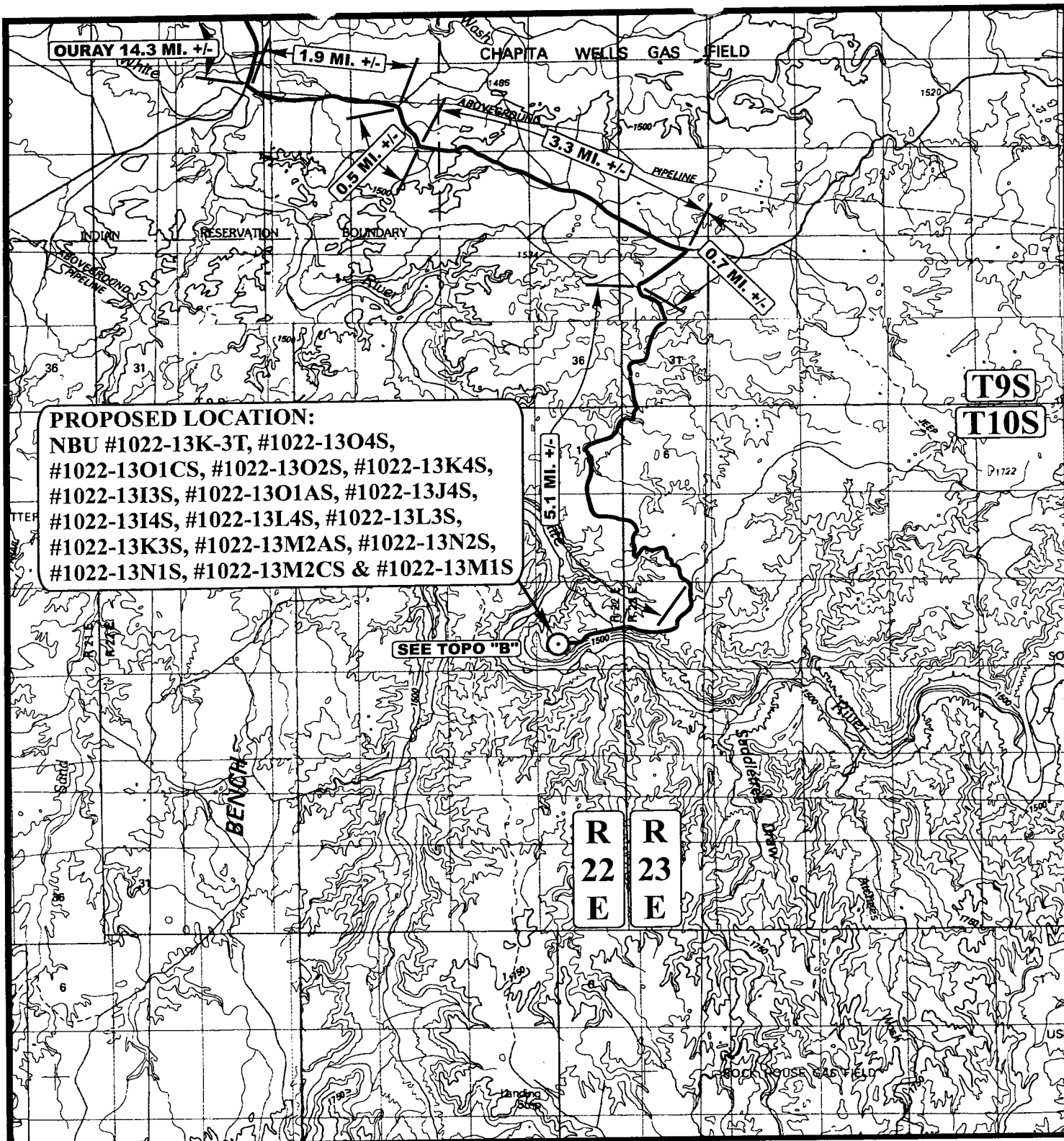
05 17 07
MONTH DAY YEAR

PHOTO

TAKEN BY: L.K.

DRAWN BY: C.P.

REVISED: 00-00-00



PROPOSED LOCATION:

NBU #1022-13K-3T, #1022-13O4S,
 #1022-13O1CS, #1022-13O2S, #1022-13K4S,
 #1022-13I3S, #1022-13O1AS, #1022-13J4S,
 #1022-13I4S, #1022-13L4S, #1022-13L3S,
 #1022-13K3S, #1022-13M2AS, #1022-13N2S,
 #1022-13N1S, #1022-13M2CS & #1022-13M1S

SEE TOPO "B"

LEGEND:

○ PROPOSED LOCATION

N



Kerr-McGee Oil & Gas Onshore LP

NBU#1022-13K-3T, #1022-13O4S, #1022-13O1CS, #1022-13O2S,
 #1022-13K4S, #1022-13I3S, #1022-13O1AS, #1022-13J4S,
 #1022-13I4S, #1022-13L4S, #1022-13L3S, #1022-13K3S,
 #1022-13M2AS, #1022-13N2S, #1022-13N1S, #1022-13M2CS
 & #1022-13M1S

SECTION 13, T10S, R22E, S.L.B.&M.; SW 1/4



Utah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

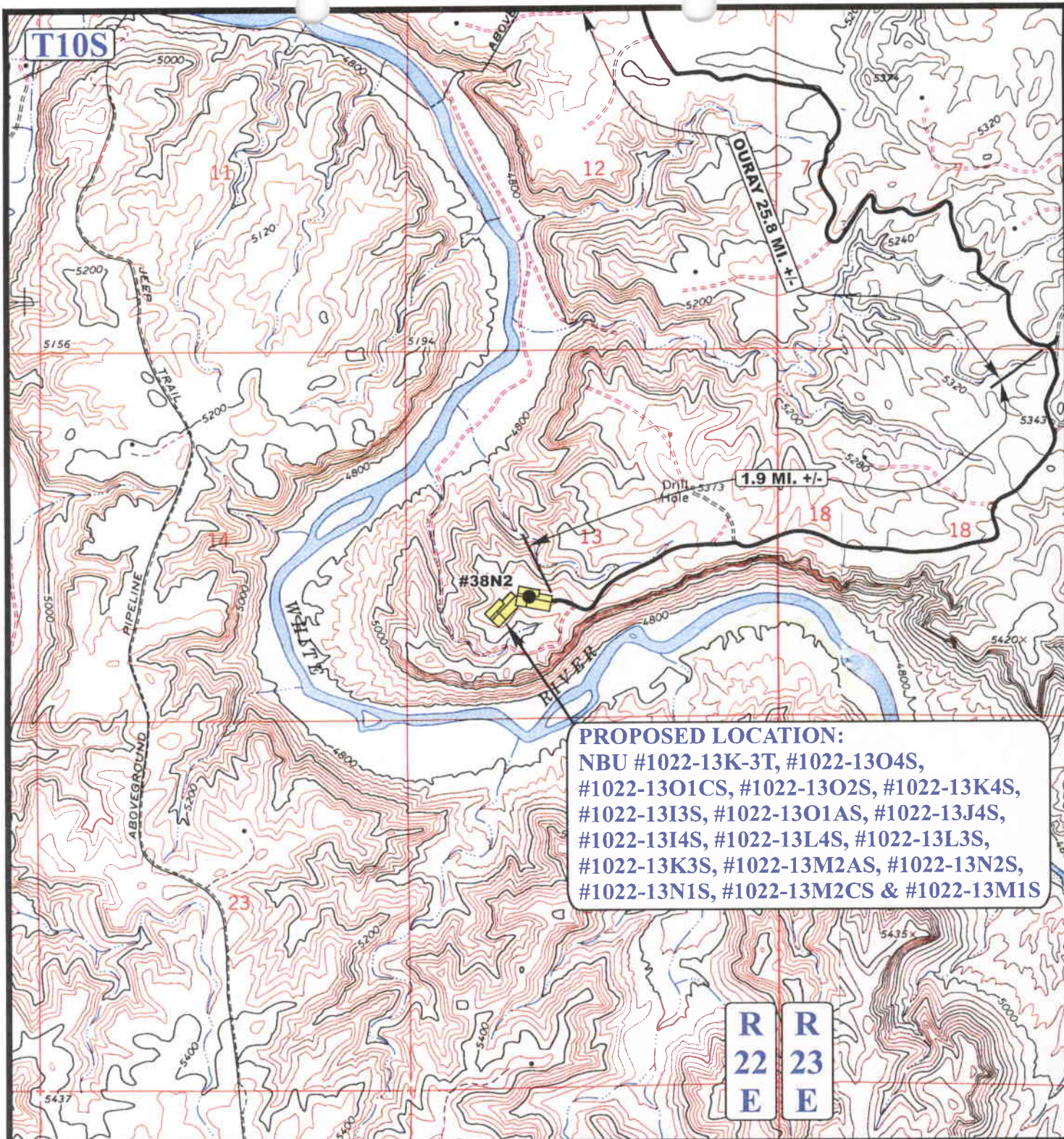
05 **17** **07**
 MONTH DAY YEAR

SCALE: 1:100,000

DRAWN BY: C.P.

REVISED: 00-00-00





LEGEND:

— EXISTING ROAD
 - - - PROPOSED ACCESS ROAD



Kerr-McGee Oil & Gas Onshore LP

NBU#1022-13K-3T, #1022-13O4S, #1022-13O1CS, #1022-13O2S,
 #1022-13K4S, #1022-13I3S, #1022-13O1AS, #1022-13J4S,
 #1022-13I4S, #1022-13L4S, #1022-13L3S, #1022-13K3S,
 #1022-13M2AS, #1022-13N2S, #1022-13N1S, #1022-13M2CS
 & #1022-13M1S

SECTION 13, T10S, R22E, S.L.B.&M.; SW 1/4



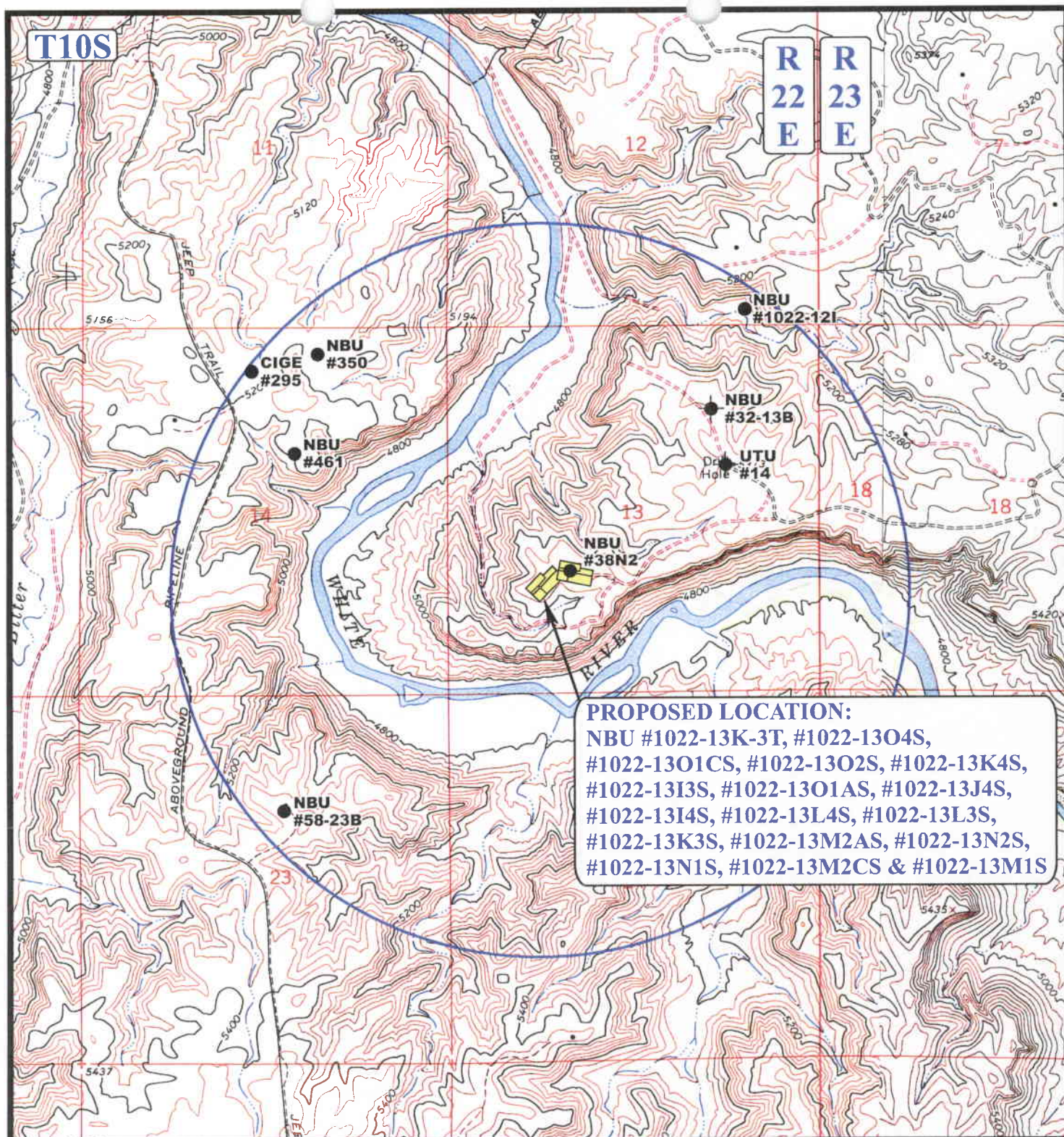
Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

05 17 07
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 00-00-00

B
TOPO



LEGEND:

- | | |
|-------------------|-------------------------|
| Ø DISPOSAL WELLS | Ø WATER WELLS |
| ● PRODUCING WELLS | ● ABANDONED WELLS |
| ● SHUT IN WELLS | ● TEMPORARILY ABANDONED |



Kerr-McGee Oil & Gas Onshore LP

NBU#1022-13K-3T, #1022-13O4S, #1022-13O1CS, #1022-13O2S,
 #1022-13K4S, #1022-13I3S, #1022-13O1AS, #1022-13J4S,
 #1022-13I4S, #1022-13L4S, #1022-13L3S, #1022-13K3S,
 #1022-13M2AS, #1022-13N2S, #1022-13N1S, #1022-13M2CS
 & #1022-13M1S

SECTION 13, T10S, R22E, S.L.B.&M.; SW 1/4



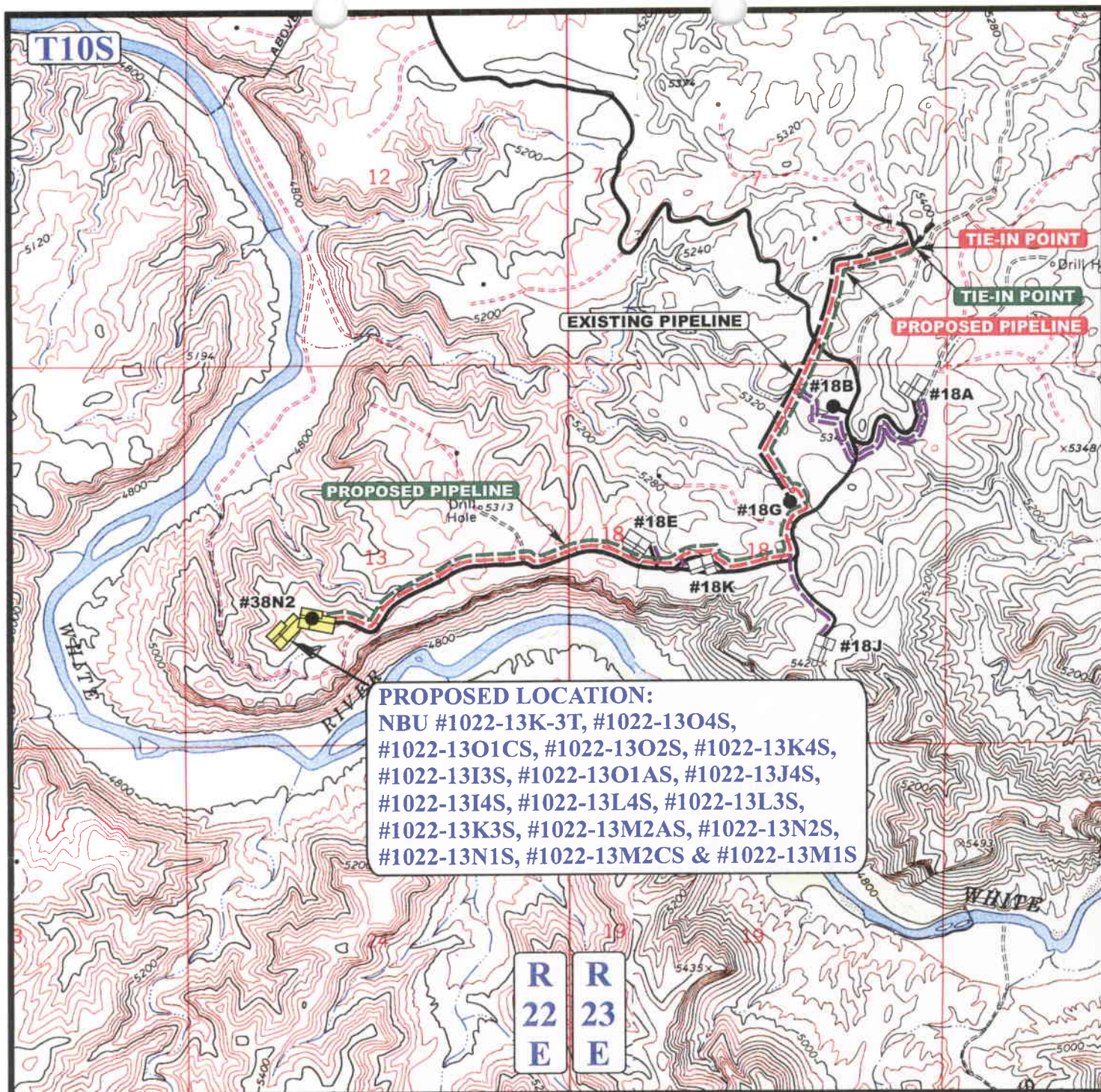
Uintah Engineering & Land Surveying
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 (435) 789-1017 * FAX (435) 789-1813

**TOPOGRAPHIC
MAP**

05 17 07
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 00-00-00





APPROXIMATE TOTAL 10" PIPELINE DISTANCE = 12,184' +/-

APPROXIMATE TOTAL 6" PIPELINE DISTANCE = 12,184' +/-

LEGEND:

	EXISTING ROAD
	EXISTING PIPELINE
	PROPOSED PIPELINE
	PROPOSED PIPELINE (SERVICING OTHER WELLS)

N



Kerr-McGee Oil & Gas Onshore LP

NBU#1022-13K-3T, #1022-13O4S, #1022-13O1CS, #1022-13O2S, #1022-13K4S, #1022-13I3S, #1022-13O1AS, #1022-13J4S, #1022-13I4S, #1022-13L4S, #1022-13L3S, #1022-13K3S, #1022-13M2AS, #1022-13N2S, #1022-13N1S, #1022-13M2CS & #1022-13M1S

SECTION 13, T10S, R22E, S.L.B.&M.; SW 1/4



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(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

05 17 07
MONTH DAY YEAR

D
TOPO

SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 07-19-07

Kerr-McGee Oil & Gas Onshore LP

NBU #1022-13K-3T, #1022-13O4S, #1022-13O1CS, #1022-13O2S,
#1022-13K4S, #1022-13I3S, #1022-13O1AS, #1022-13J4S,
#1022-13I4S, #1022-13L4S, #1022-13L3S, #1022-13K3S,
#1022-13M2AS, #1022-13N2S, #1022-13N1S, #1022-13M2CS
& #1022-13M1S

PIPELINE ALIGNMENT
LOCATED IN UINTAH COUNTY, UTAH
SECTION 13, T10S, R22E, S.L.B.&M.



PHOTO: VIEW FROM TIE-IN POINT

CAMERA ANGLE: WESTERLY



PHOTO: VIEW OF PIPELINE ALIGNMENT

CAMERA ANGLE: WESTERLY



UELS Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

PIPELINE PHOTOS

05 17 07
MONTH DAY YEAR

PHOTO

TAKEN BY: L.K.

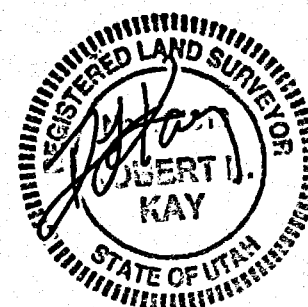
DRAWN BY: C.P.

REVISED: 00-00-00

FIGURE #1

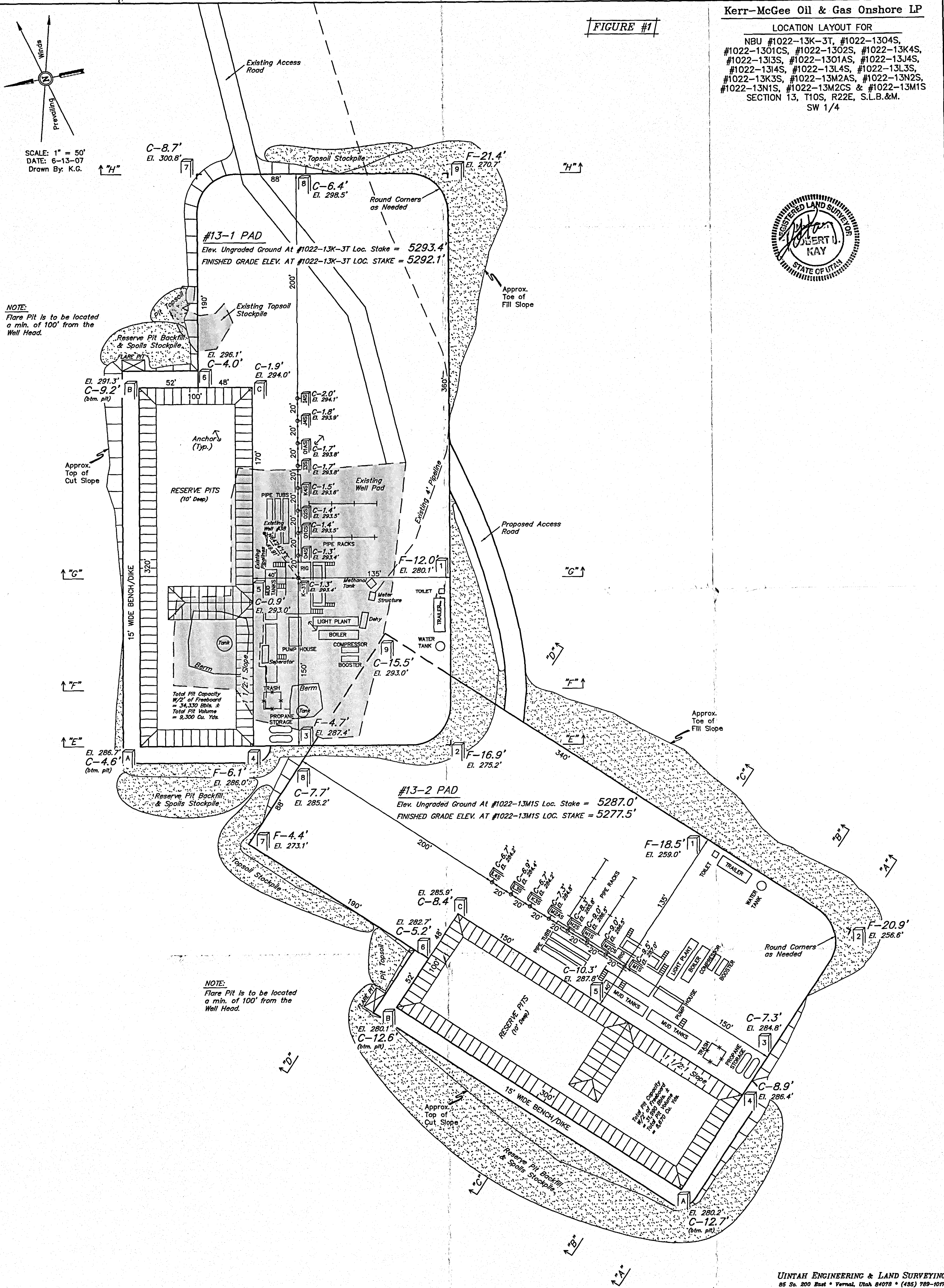
LOCATION LAYOUT FOR

NBU #1022-13K-3T, #1022-1304S,
#1022-1301CS, #1022-1302S, #1022-13K4S,
#1022-1313S, #1022-1301AS, #1022-13J4S,
#1022-1314S, #1022-13L4S, #1022-13L3S,
#1022-13K3S, #1022-13M2AS, #1022-13N2S,
#1022-13N1S, #1022-13M2CS & #1022-13M1S
SECTION 13, T10S, R22E, S.L.B.&M.
SW 1/4



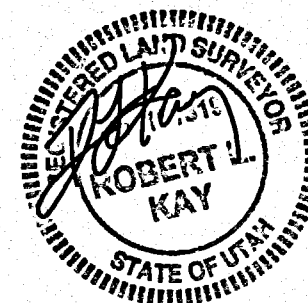
NOTE:
Flare Pit is to be located
a min. of 100' from the
Well Head.

NOTE:
Flare Pit is to be located
a min. of 100' from the
Well Head.

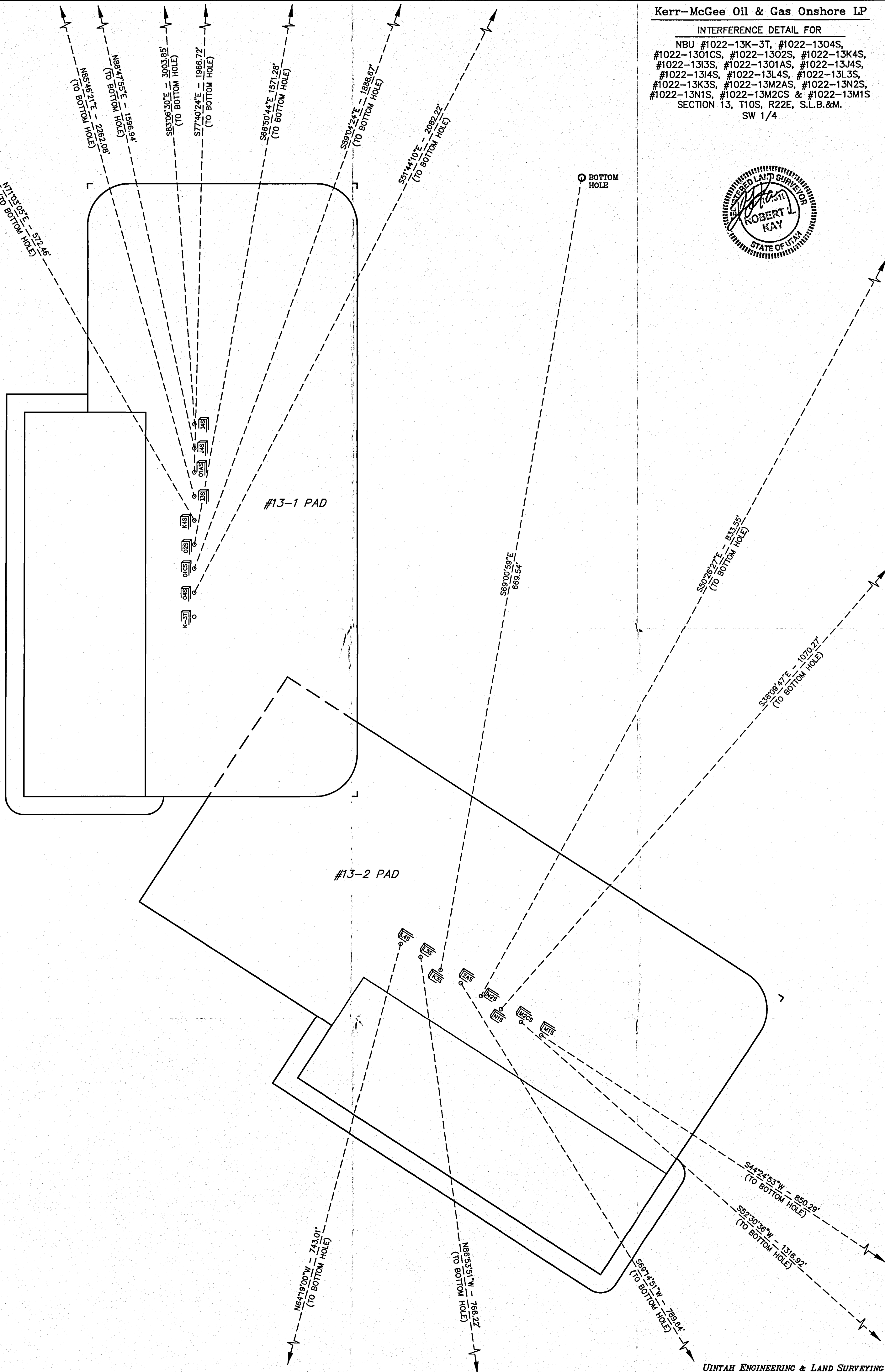


INTERFERENCE DETAIL FOR

NBU #1022-13K-3T, #1022-1304S,
#1022-1301CS, #1022-1302S, #1022-13K4S,
#1022-1313S, #1022-1301AS, #1022-13J4S,
#1022-1314S, #1022-13L4S, #1022-13L3S,
#1022-13K3S, #1022-13M2AS, #1022-13N2S,
#1022-13N1S, #1022-13M2CS & #1022-13M1S
SECTION 13, T10S, R22E, S.L.B.&M.
SW 1/4



SCALE: 1" = 50'
DATE: 6-13-07
Drawn By: K.G.



WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 08/06/2007

API NO. ASSIGNED: 43-047-39475

WELL NAME: NBU 1022-13~~14~~5

OPERATOR: KERR-MCGEE OIL & GAS (N2995)

CONTACT: SHEILA UPCHEGO

PHONE NUMBER: 435-781-7024

PROPOSED LOCATION:

NESW 13 100S 220E

SURFACE: 1724 FSL 1824 FWL

~~NES~~ BOTTOM: 1360 FSL 0440 FEL

COUNTY: Uintah

LATITUDE: 39.94641 LONGITUDE: -109.3905

UTM SURF EASTINGS: 637499 NORTHINGS: 4422839

FIELD NAME: NATURAL BUTTES (630)

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering	DRO	8/31/07
Geology		
Surface		

LEASE TYPE: 3 - State

LEASE NUMBER: STUO-08512-ST

SURFACE OWNER: 3 - State

PROPOSED FORMATION: WSMVD

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

☒ Plat
☒ Bond: Fed[] Ind[] Sta[] Fee[]
(No. 22013542)
☒ Potash (Y/N)
☒ Oil Shale 190-5 (B) or 190-3 or 190-13
☒ Water Permit
(No. 43-8496)
☒ RDCC Review (Y/N)
(Date:)
☒ Fee Surf Agreement (Y/N)
☒ Intent to Commingle (Y/N)

LOCATION AND SITING:

___ R649-2-3.
Unit: NATURAL BUTTES
___ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
☒ R649-3-3. Exception
☒ Drilling Unit
Board Cause No: 173-14
Eff Date: 12-2-1994
Siting: 460' fr ulsdr & unadmin. Tract
___ R649-3-11. Directional Drill

COMMENTS:

Needs Drilling (06-27-07)

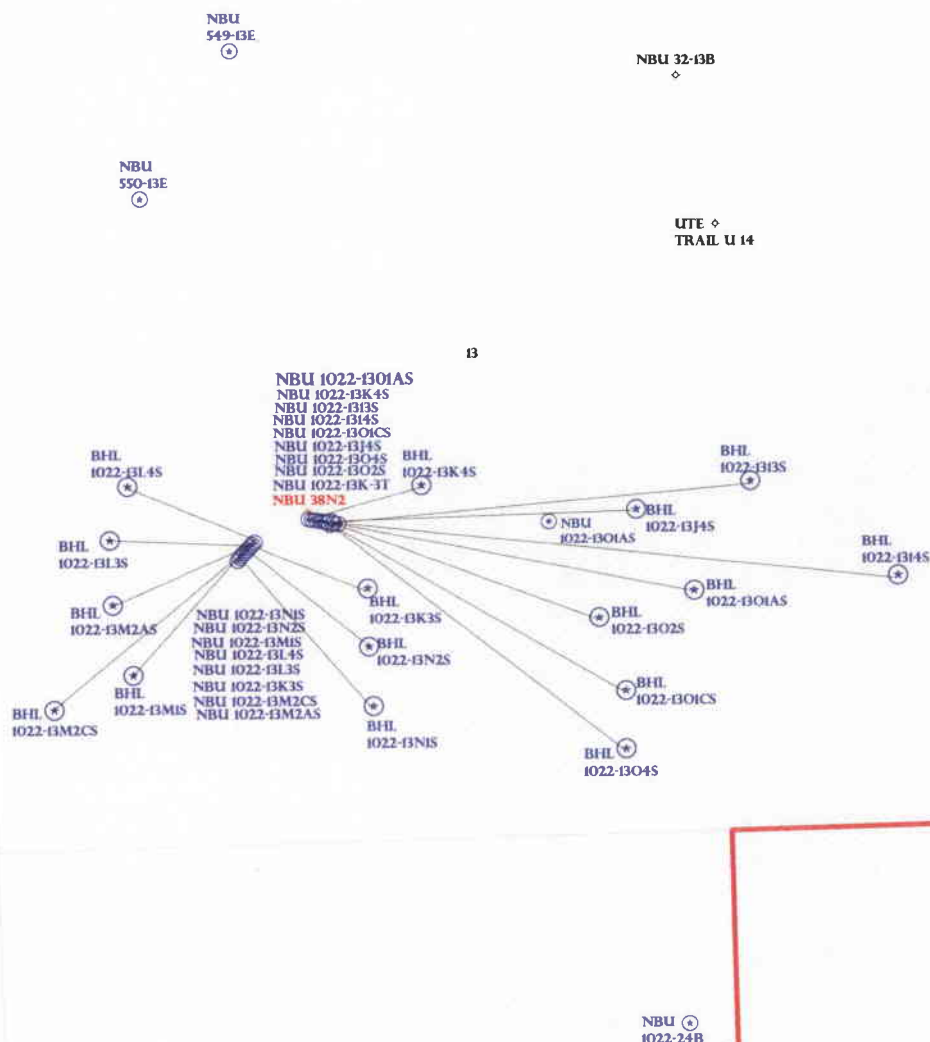
STIPULATIONS:

1- STATEMENT OF BASIS
2- OIL SHALE
3- Surface Csg Cont Stp

T10S R22E

T10S R23E

NATURAL BUTTES FIELD **NATURAL BUTTES UNIT** CAUSE: 173-14 / 12-2-1999



OPERATOR: KERR MCGEE O&G (N2995)

SEC: 13 T.10S R. 22E

FIELD: NATURAL BUTTES (630)

COUNTY: UINTAH

CAUSE: 173-14 / 12-2-1999

Field Status

- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED

Unit Status

- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Wells Status

- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL
- DRILLING



Utah Oil Gas and Mining



PREPARED BY: DIANA MASON
 DATE: 8-AUGUST-2007

Application for Permit to Drill

Statement of Basis

8/15/2007

Utah Division of Oil, Gas and Mining

Page 1

APD No	API WellNo	Status	Well Type	Surf Ownr	CBM
482	43-047-39475-00-00		GW	S	No
Operator	KERR-MCGEE OIL & GAS ONSHORE, LP	Surface Owner-APD			
Well Name	NBU 1022-1314S	Unit			
Field	UNDESIGNATED	Type of Work			
Location	NESW 13 10S 22E S 1724 FSL 1824 FWL GPS Coord (UTM) 637499E 4422839N				

Geologic Statement of Basis

Kerr McGee proposes to set 2,100' of surface casing at this location. The depth to the base of the moderately saline water at this location is estimated to be at a depth of 4,300'. A search of Division of Water Rights records shows no water wells within a 10,000 foot radius of the center of Section 13. The surface formation at this site is the Uinta Formation. The Uinta Formation is made up of interbedded shales and sandstones. The sandstones are mostly lenticular and discontinuous and should not be a significant source of useable ground water. Production casing cement should be brought up above the base of the moderately saline ground water to isolate it from fresher waters uphole.

Brad Hill
APD Evaluator

8/15/2007
Date / Time

Surface Statement of Basis

The general area is in the southeast end of the Natural Buttes Unit, which contains the White River and short rugged drainages that drain into the White River. Topography is varied and frequently dissected by short draws or washes, which become overly steep as they approach the White River breaks or rim. Distance to the White River varies from ¼ mile to 2 miles. The side drainages are dry except for ephemeral flows. No seeps or springs exist in the area. An occasional pond has been constructed to supply water for livestock and antelope. Vernal, Utah is approximately 43 air miles to the northwest. Access from Ouray, Utah is approximately 27.7 road miles following Utah State, Uintah County and oilfield development roads to the location.

Seventeen new gas wells are proposed on two connected pads. The pads form a dogleg with the upper pad (#13-1) extending in an east-west direction and the lower pad (#13-2) in a northeast to southwest direction. Corners of the pads overlap with fill from the upper pad, corner 2, extending onto the lower pad at corner 9. Finished elevation of the upper pad is 15 feet higher than the lower pad. A road is proposed on the inside of the dog-leg ramping down to the lower pad. The pads are located on top of a medium width to narrow ridge-top elevated about 500 vertical feet above the White River. The White River forms a bend in the area and somewhat surrounds the locations except on the east-northeast sides. Closest horizontal distance to any well is approximately 1550 feet. Slopes from the ridge steepen and become near vertical sandstone ledges short distances from the pads. Soils are shallow with a rocky subsurface. Except for reserve pit construction blasting is not expected to be required. Pad construction will primarily consist of excavating the top of the ridge filling on the sides of the ridge. All fills will catch on existing natural side slopes. No drainage concerns exist. Elongated reserve pits are planned. Pits will be in cut except along corner 'C' on the lower #13-2 pad and corner 'F' on the upper #13-1 pad. Both areas will be reinforced with embankments which include a 15' wide bench and spoils storage. Reserve pits will be lined with double 20 mil. liners and a appropriate thickness of sub felt to cushion all rocks. A pad for a producing gas well (NBU #38-N2) exist on a portion of the upper pad. Area encompassed for the pads not including spoils storage is approximately 6.7 acres.

When the wells are completed the west tank on the west corner of the upper pad will be in view for about 1/8 mile along the river bottom. Even though rafters would have to look behind them to see this tank, Kerr McGee agreed to use a low profile tank for this location.

Application for Permit to Drill

Statement of Basis

8/15/2007

Utah Division of Oil, Gas and Mining

Page 2

Both the surface and minerals for this location are owned by SITLA. Jim Davis of SITLA attended the pre-site visit and expressed no concerns regarding the proposed location except for those discussed above.

The location appears to be the only site for constructing pads and drilling and operating multiple wells in the area.

It was mutually agreed that the most significant environmental concern with drilling and operating wells in this area was to avoid any leaks or spills from the operations reaching the White River. To reduce chances of this happening, Carroll Estes of Kerr McGee committed to line the pit with a double 20 mil liner with an appropriate thickness of felt sub-liner dependent upon the roughness of the surface of the constructed pit. He also stated they would formulate and follow a plan to monitor the level of fluids in the reserve pit as well as observing the surrounding terrain for any possible leaks. Corrugated metal containments will be constructed around all tanks used for production.

Floyd Bartlett
Onsite Evaluator

6/27/2007
Date / Time

Conditions of Approval / Application for Permit to Drill

Category	Condition
Pits	A double synthetic liner each with a minimum thickness of 20 mils and an appropriate thickness of felt subliner to cushion the liners shall be properly installed and maintained in the reserve pit.

ON-SITE PREDRILL EVALUATION

Utah Division of Oil, Gas and Mining

Operator KERR-MCGEE OIL & GAS ONSHORE, LP
Well Name NBU 1022-1314S
API Number 43-047-39475-0 **APD No** 482 **Field/Unit** UNDESIGNATED
Location: 1/4,1/4 NESW **Sec** 13 **Tw** 10S **Rng** 22E 1724 FSL 1824 FWL
GPS Coord (UTM) 637509 4422843 **Surface Owner**

Participants

Floyd Bartlett (DOGM), Jim Davis (SITLA), Carroll Estes, Tony Kznick, and Clay Einerson (Kerr McGee), David Kay (Uintah Engineering and Land Surveying) and Daniel Emmett (UDWR)

Regional/Local Setting & Topography

The general area is in the southeast end of the Natural Buttes Unit, which contains the White River and short rugged drainages that drain into the White River. Topography is varied and frequently dissected by short draws or washes, which become overly steep as they approach the White River breaks or rim. Distance to the White River varies from ¼ mile to 2 miles. The side drainages are dry except for ephemeral flows. No seeps or springs exist in the area. An occasional pond has been constructed to supply water for livestock and antelope. Vernal, Utah is approximately 43 air miles to the northwest. Access from Ouray, Utah is approximately 27.7 road miles following Utah State, Uintah County and oilfield development roads to the location.

Seventeen new gas wells are proposed on two connected pads. The pads form a dogleg with the upper pad (#13-1) extending in an east-west direction and the lower pad (#13-2) in a northeast to southwest direction. Corners of the pads overlap with fill from the upper pad, corner 2, extending onto the lower pad at corner 9. Finished elevation of the upper pad is 15 feet higher than the lower pad. A road is proposed on the inside of the dog-leg ramping down to the lower pad. The pads are located on top of a medium width to narrow ridge-top elevated about 500 vertical feet above the White River. The White River forms a bend in the area and somewhat surrounds the locations except on the east-northeast sides. Closest horizontal distance to any well is approximately 1550 feet. Slopes from the ridge steepen and become near vertical sandstone ledges short distances from the pads. Soils are shallow with a rocky subsurface. Except for reserve pit construction blasting is not expected to be required. Pad construction will primarily consist of excavating the top of the ridge filling on the sides of the ridge. All fills will catch on existing natural side slopes. No drainage concerns exist. Elongated reserve pits are planned. Pits will be in cut except along corner 'C' on the lower #13-2 pad and corner 'F' on the upper #13-1 pad. Both areas will be reinforced with embankments which include a 15' wide bench and spoils storage. Reserve pits will be lined with double 20 mil. liners and a appropriate thickness of sub felt to cushion all rocks. A pad for a producing gas well (NBU #38-N2) exist on a portion of the upper pad. Area encompassed for the pads not including spoils storage is approximately 6.7 acres.

Surface Use Plan

Current Surface Use

Grazing
Recreational
Wildlfe Habitat
Existing Well Pad

New Road

Miles	Well Pad	Src Const Material	Surface Formation
0	Width 290 Length 510	Onsite	UNTA

Ancillary Facilities N

Waste Management Plan Adequate? Y

Environmental Parameters

Affected Floodplains and/or Wetland N

Flora / Fauna

Moderately vegetated with black sagebrush, halogeton, shadscale, rabbit brush, broom snakeweed, cheatgrass, six-week fescue and spring annuals.

Antelope, coyote, small mammals and birds. Winter domestic sheep grazing

Soil Type and Characteristics

Shallow gravely sandy loam.

Erosion Issues N

Sedimentation Issues N

Site Stability Issues N

Drainage Diversion Required N

Berm Required? N

Erosion Sedimentation Control Required? N

Paleo Survey Run? Y Paleo Potential Observed? N Cultural Survey Run? Y Cultural Resources?

Reserve Pit

Site-Specific Factors

Site Ranking

Distance to Groundwater (feet)	>200	0
Distance to Surface Water (feet)	>1000	0
Dist. Nearest Municipal Well (ft)	>5280	0
Distance to Other Wells (feet)	<300	20
Native Soil Type	Mod permeability	10
Fluid Type	Fresh Water	5
Drill Cuttings	Normal Rock	0
Annual Precipitation (inches)	<10	0
Affected Populations	<10	0
Presence Nearby Utility Conduits	Not Present	0

Final Score 35 1 Sensitivity Level

Characteristics / Requirements

The reserve pit is proposed on the northwest corner of the pad. Portions of the outer edge will be within partial fill. A 15' wide bench/dike is planned along the outer edge as well as reserve pit spoils storage along the west end. Finished pit dimensions are 100' x 320' x 10' deep. Carroll Estes of Kerr McGee committed to line the pit with a double 20 mil liner with an appropriate thickness of felt sub-liner dependent upon the roughness of the surface of the constructed pit.

Closed Loop Mud Required? N Liner Required? Y Liner Thickness 20 Pit Underlayment Required? Y

Other Observations / Comments

Daniel Emmet represented the Utah Division of Wildlife Resources. Mr. Emmet stated the area is classified as critical

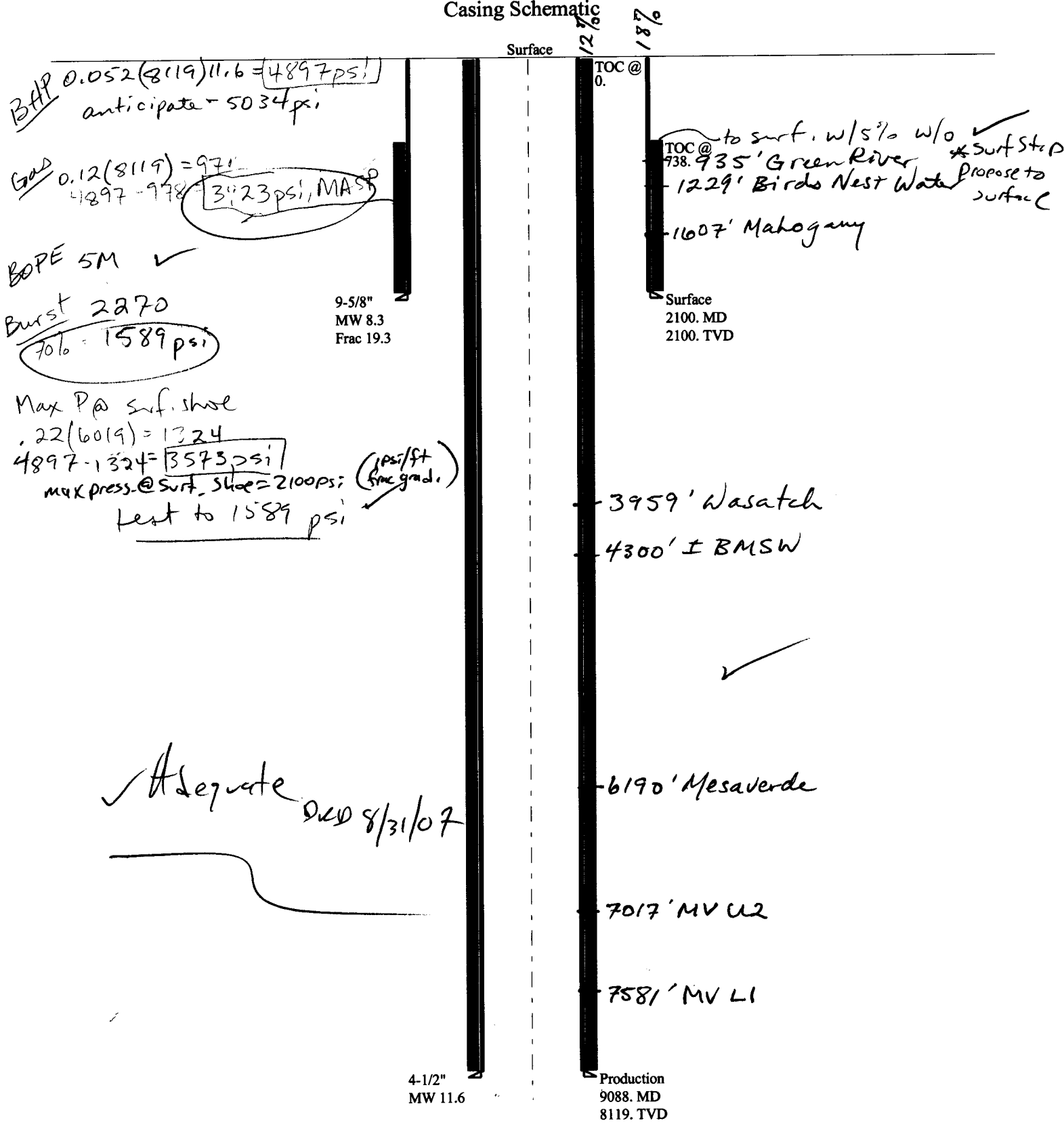
yearlong habitat for antelope. He however recommended no stipulations for this species as the loss of forage from this location is not significant and water not forage is the factor limiting the herd population in the area. No other wildlife is expected to be affected. He gave Carrol Estes, representing Kerr McGee, and Jim Davis copies of his evaluation and a DWR recommended seed mix to use when re-vegetating the area.

Floyd Bartlett
Evaluator

6/27/2007
Date / Time

2007-08 Kerr McGee NBU 1022-1314S

Casing Schematic



Well name:	2007-08 Kerr McGee NBU 1022-13I4S	
Operator:	Kerr McGee Oil & Gas Onshore L.P.	
String type:	Surface	Project ID: 43-047-39475
Location:	Uintah County, Utah	

Design parameters:
Collapse

Mud weight: 8.300 ppg
Design is based on evacuated pipe.

Minimum design factors:
Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 104 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,300 ft

Cement top: 738 ft

Burst

Max anticipated surface pressure: 1,848 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 2,100 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on buoyed weight.
Neutral point: 1,844 ft

Non-directional string.
Re subsequent strings:

Next setting depth: 8,119 ft
Next mud weight: 11.600 ppg
Next setting BHP: 4,893 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 2,100 ft
Injection pressure: 2,100 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	2100	9.625	32.30	H-40	ST&C	2100	2100	8.876	927.9

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	905	1370	1.513	2100	2270	1.08	60	254	4.26 J

Prepared by: Helen Sadik-Macdonald
Div of Oil, Gas & Minerals

Phone: (801) 538-5357
FAX: (801) 359-3940

Date: August 27, 2007
Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 2100 ft, a mud weight of 8.3 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:		2007-08 Kerr McGee NBU 1022-13I4S	
Operator:	Kerr McGee Oil & Gas Onshore L.P.		
String type:	Production	Project ID:	43-047-39475
Location:	Uintah County, Utah		

Design parameters:

Collapse

Mud weight: 11.600 ppg
Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 189 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Cement top: Surface

Burst

Max anticipated surface pressure: 3,106 psi
Internal gradient: 0.220 psi/ft
Calculated BHP 4,893 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Directional Info - Build & Drop

Kick-off point 2160 ft
Departure at shoe: 3052 ft
Maximum dogleg: 3 °/100ft
Inclination at shoe: 0 °

Tension is based on buoyed weight.

Neutral point: 7,668 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	9088	4.5	11.60	I-80	LT&C	8119	9088	3.875	793.1
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	4893	6360	1.300	4893	7780	1.59	78	212	2.72 J

Prepared by: Helen Sadik-Macdonald
Div of Oil, Gas & Minerals

Phone: (801) 538-5357
FAX: (801) 359-3940

Date: August 27, 2007
Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 8119 ft, a mud weight of 11.6 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Collapse strength is (biaxially) derated for doglegs in directional wells by multiplying the tensile stress by the cross section area to calculate a

Engineering responsibility for use of this design will be that of the purchaser.

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:
3160
(UT-922)

August 9, 2007

Memorandum

To: Assistant District Manager Minerals, Vernal District
From: Michael Coulthard, Petroleum Engineer
Subject: 2007 Plan of Development Natural Buttes Unit
Uintah County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2007 within the Natural Buttes Unit, Uintah County, Utah.

API #	WELL NAME	LOCATION
(Proposed PZ Wasatch/MesaVerde)		
43-047-39473	NBU 1022-13K4S	Sec 13 T10S R22E 1739 FSL 1745 FWL
	BHL	Sec 13 T10S R22E 1925 FSL 2280 FWL
43-047-39474	NBU 1022-1313S	Sec 13 T10S R22E 1735 FSL 1764 FWL
	BHL	Sec 13 T10S R22E 1900 FSL 1225 FEL
43-047-39475	NBU 1022-1314S	Sec 13 T10S R22E 1724 FSL 1824 FWL
	BHL	Sec 13 T10S R22E 1360 FSL 0440 FEL
43-047-39476	NBU 1022-1301CS	Sec 13 T10S R22E 1747 FSL 1705 FWL
	BHL	Sec 13 T10S R22E 0775 FSL 1920 FEL
43-047-39477	NBU 1022-13J4S	Sec 13 T10S R22E 1728 FSL 1804 FWL
	BHL	Sec 13 T10S R22E 1760 FSL 1845 FEL
43-047-39478	NBU 1022-1301AS	Sec 13 T10S R22E 1731 FSL 1784 FWL
	BHL	Sec 13 T10S R22E 1310 FSL 1540 FEL
43-047-39479	NBU 1022-1302S	Sec 13 T10S R22E 1743 FSL 1725 FWL
	BHL	Sec 13 T10S R22E 1175 FSL 2055 FEL

43-047-39480	NBU 1022-1304S	Sec 13 T10S R22E 1750 FSL 1686 FWL
	BHL	Sec 13 T10S R22E 0460 FSL 1925 FEL
43-047-39481	NBU 1022-13K3S	Sec 13 T10S R22E 1610 FSL 1343 FWL
	BHL	Sec 13 T10S R22E 1370 FSL 1975 FWL
43-047-39482	NBU 1022-13M1S	Sec 13 T10S R22E 1538 FSL 1275 FWL
	BHL	Sec 13 T10S R22E 0930 FSL 0700 FWL
43-047-39483	NBU 1022-13M2AS	Sec 13 T10S R22E 1595 FSL 1329 FWL
	BHL	Sec 13 T10S R22E 1315 FSL 0600 FWL
43-047-39484	NBU 1022-13N1S	Sec 13 T10S R22E 1566 FSL 1302 FWL
	BHL	Sec 13 T10S R22E 0725 FSL 1990 FWL
43-047-39485	NBU 1022-13L3S	Sec 13 T10S R22E 1624 FSL 1356 FWL
	BHL	Sec 13 T10S R22E 1665 FSL 0590 FWL
43-047-39486	NBU 1022-13L4S	Sec 13 T10S R22E 1638 FSL 1370 FWL
	BHL	Sec 13 T10S R22E 1960 FSL 0690 FWL
43-047-39487	NBU 1022-13N2S	Sec 13 T10S R22E 1581 FSL 1316 FWL
	BHL	Sec 13 T10S R22E 1050 FSL 1975 FWL
43-047-39488	NBU 1022-13M2CS	Sec 13 T10S R22E 1552 FSL 1289 FWL
	BHL	Sec 13 T10S R22E 0750 FSL 0270 FWL
43-047-39489	NBU 1022-13K-3T	Sec 13 T10S R22E 1754 FSL 1666 FWL

Our records indicate the bottom hole location of the NBU 1022-1314S is closer than 460 feet from the Natural Buttes Unit boundary.

We have no objections to permitting the wells so long as the unit operator receives an exception to the locating and siting requirements of the State of Utah (R649-3-2).

/s/ Michael L. Coulthard

bcc: File - Natural Buttes Unit
 Division of Oil Gas and Mining
 Central Files
 Agr. Sec. Chron
 Fluid Chron

MCoulthard:mc:8-9-07



Kerr-McGee Oil & Gas Onshore LP
1999 Broadway, Suite 3700
Denver, CO 80205

August 16, 2007

Mrs. Diana Mason
Division of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, UT 84114-6100

RE: NBU 1022-1314S
T10S-R22E
Sec. 13: NESE
1724' FSL, 1824' FWL
BHL: 1360' FSL, 440' FEL
Uintah County, Utah

Dear Mrs. Mason:

Kerr-McGee Oil & Gas Onshore LP has submitted a permit to drill the captioned well to test the Wasatch and Mesaverde formations. The Bottom Hole Location is at an exception location to State Rule 173-14 (NBU). The Bottom Hole Location is less than 460' from the unit boundary. Kerr-McGee owns 100% of the leasehold in the offset lands and has no objection to the exception location.

Kerr-McGee requests your approval of this exception location. If you have any questions or require any additional information, please do not hesitate to call me at 720-929-6698.

Sincerely,

A handwritten signature in black ink, appearing to read 'Beau Colligan'.

Beau Colligan,
Landman

Cc: Chris Latimer

RECEIVED

AUG 22 2007

OFFICE OF THE ATTORNEY GENERAL

From: Ed Bonner
To: Mason, Diana
Date: 8/20/2007 3:07 PM
Subject: Well Clearance

CC: Davis, Jim; Garrison, LaVonne; Hill, Brad; Hunt, Gil

The following wells have been given cultural resources clearance by the Trust Lands Cultural Resources Group:

Cabot Oil & Gas Corporation
McKenna 21-32 (API 43 037 31863)

Kerr McGee Oil & Gas Onshore LP
NBU 1022-13K4S (API 43 047 39473)
NBU 1022-13I3S (API 43 047 39474)
NBU 1022-13I4S (API 43 047 39475)
NBU 1022-13O1CS (API 43 047 39476)
NBU 1022-13J4S (API 43 047 39477)
NBU 1022-13O1AS (API 43 047 39478)
NBU 1022-13O2S (API 43 047 39479)
NBU 1022-13O4S (API 43 047 39480)
NBU 1022-13K3S (API 43 047 39481)
NBU 1023-13M1S (API 43 047 39482)
NBU 1022-13M2AS (API 43 047 39483)
NBU 1022-13N1S (API 43 047 39484)
NBU 1022-13L3S (API 43 047 39485)
NBU 1022-13L4S (API 43 047 39486)
NBU 1022-13N2S (API 43 047 39487)
NBU 1022-13M2SC (API 43 047 39488)
NBU 1022-13K-3T (API 43 047 39489)

Petro-Canada Resources (USA), Inc
State 16-41 (API 43 015 30721)
State 32-44 (API 43 015 30722)

Royale Energy, Inc
Vernal Equinox 2-2 (API 43 019 31552)

XTO Energy, Inc
State of Utah 16-8-31-13 (API 43 015 30719)
State of Utah 16-8-31-33D (API 43 015 30718)

If you have any questions regarding this matter please give me a call.



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil Gas and Mining

JOHN R. BAZA
Division Director

September 4, 2007

Kerr McGee Oil & Gas Onshore LP
1368 S 1200 E
Vernal, UT 84078

Re: Natural Buttes Unit 1022-1314S Well, 1724' FSL, 1824' FWL, NE SW, Sec. 13,
T. 10 South, R. 22 East, Bottom Location 1360' FSL, 440' FEL, NE SE, Sec. 13,
T. 10 South, R. 22 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-39475.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Uintah County Assessor
SITLA
Bureau of Land Management, Vernal Office



Operator: Kerr McGee Oil & Gas Onshore LP
Well Name & Number Natural Buttes Unit 1022-13I4S
API Number: 43-047-39475
Lease: STUO-08512-ST

Location: NE SW **Sec.** 13 **T.** 10 South **R.** 22 East
Bottom Location: NE SE **Sec.** 13 **T.** 10 South **R.** 22 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

The operator is required to notify the Division of Oil, Gas and Mining of the following action during drilling of this well:

- 24 hours prior to cementing or testing casing – contact Dan Jarvis
- 24 hours prior to testing blowout prevention equipment – contact Dan Jarvis
- 24 hours prior to spudding the well – contact Carol Daniels
- Within 24 hours of any emergency changes made to the approved drilling program – contact Dustin Doucet
- Prior to commencing operations to plug and abandon the well – contact Dan Jarvis

The operator is required to get approval from the Division of Oil, Gas and Mining before performing any of the following actions during the drilling of this well:

- Plugging and abandonment or significant plug back of this well – contact Dustin Doucet
- Any changes to the approved drilling plan – contact Dustin Doucet

The following are Division of Oil, Gas and Mining contacts and their telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at: (801) 538-5338 office (801) 942-0873 home
- Carol Daniels at: (801) 538-5284 office
- Dustin Doucet at: (801) 538-5281 office (801) 733-0983 home

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.
5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)
6. In accordance with Utah Admin. R.649-3-11, Directional Drilling, the operator shall submit a complete angular deviation and directional survey report to the Division within 30 days following completion of the well.
7. In accordance with Order in Cause No. 190-5(b) dated October 28, 1982, the Operator shall comply with requirements of Rules R649-3-31 and R649-3-27 pertaining to Designated Oil Shale Areas. Additionally, the operator shall ensure that the surface and/or production casing is properly cemented over the entire oil shale interval as defined by Rule R649-3-31. The Operator shall report the actual depth the oil shale is encountered to the Division.
8. Surface casing shall be cemented to the surface.

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: KERR-McGEE OIL & GAS ONSHORE, LP

Well Name: NBU 1022-13I4S

Api No: 43-047-39475 Lease Type: STATE

Section 13 Township 10S Range 22E County UINTAH

Drilling Contractor PETE MARTIN DRLG RIG # BUCKET

SPUDDED:

Date 11/15/07

Time 7:00 PM

How DRY

Drilling will Commence: _____

Reported by SHEILA UPCHEGO

Telephone # (435) 781-7024

Date 11/16/07 Signed CHD

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: KERR McGEE OIL & GAS ONSHORE LP Operator Account Number: N 2995
Address: 1368 SOUTH 1200 EAST
city VERNAL
state UT zip 84078 Phone Number: (435) 781-7024

Well 1 43047-39475

API Number	Well Name	QQ	Sec	Twp	Rng	County
4304739474	NBU 1022-1314S	NESW	13	10S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date		
<u>B</u>	99999	<u>2900</u>	11/15/2007	<u>11/26/07</u>		
Comments: MIRU PETE MARTIN BUCKET RIG. <u>WSMVD</u> SPUD WELL LOCATION ON 11/15/2007 AT 1900 HRS. <u>BHL = NESE</u>						

Well 2

API Number	Well Name	QQ	Sec	Twp	Rng	County
4304739474	NBU 1022-1313S	NESW	13	10S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date		
<u>B</u>	99999	<u>2900</u>	11/15/2007	<u>11/26/07</u>		
Comments: MIRU PETE MARTIN BUCKET RIG. <u>WSMVD</u> SPUD WELL LOCATION ON 11/15/2007 AT 7:00 AM. <u>BHL = NESE</u>						

Well 3

API Number	Well Name	QQ	Sec	Twp	Rng	County
4304739478	NBU 1022-1301AS	NESW	13	10S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date		
<u>B</u>	99999	<u>2900</u>	11/15/2007	<u>11/26/07</u>		
Comments: MIRU PETE MARTIN BUCKET RIG. <u>WSMVD</u> SPUD WELL LOCATION ON 11/15/2007 AT 11:00 AM <u>BHL = SWSE</u>						

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

SHEILA UPCHEGO

Name (Please Print)

Signature

SENIOR LAND SPECIALIST

11/16/2007

Title

Date

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NOV 19 2007

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: STUO-08512-ST
2. NAME OF OPERATOR: KERR MCGEE OIL & GAS ONSHORE LP		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1368 SOUTH 1200 EAST CITY VERNAL STATE UT ZIP 84078		7. UNIT or CA AGREEMENT NAME: UNIT #891008900A
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1724'FSL, 1824'FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 13 10S 22E		8. WELL NAME and NUMBER: NBU 1022-1314S
PHONE NUMBER: (435) 781-7024		9. API NUMBER: 4304739475
COUNTY: UINTAH		10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input checked="" type="checkbox"/> OTHER: WELL SPUD
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____			

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

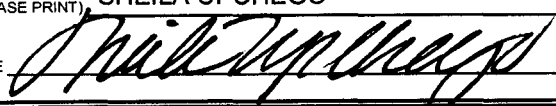
MIRU PETE MARTIN BUCKET RIG. DRILLED 20" CONDUCTOR HOLE TO 40'. RAN 14" 36.7# SCHEDULE 10 PIPE. CMT W/28 SX READY MIX.

SPUD WELL LOCATION ON 11/15/2007 AT 1900 HRS.

RECEIVED

NOV 20 2007

DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) SHEILA UPCHEGO	TITLE SENIOR LAND ADMIN SPECIALIST
SIGNATURE 	DATE 11/16/2007

(This space for State use only)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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2. NAME OF OPERATOR: KERR MCGEE OIL & GAS ONSHORE LP		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
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4. LOCATION OF WELL FOOTAGES AT SURFACE: 1724'FSL, 1824'FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 13 10S 22E		8. WELL NAME and NUMBER: NBU 1022-13I4S
		9. API NUMBER: 4304739475
		10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES
		COUNTY: UINTAH
		STATE: UTAH


CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: SET SURFACE CSG.
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

MIRU BILL MARTIN AIR RIG ON 12/07/2007. DRILLED 12 1/4" SURFACE HOLE TO 2160'. RAN 9 5/8" 36# J-55 SURFACE CSG. LEAD CMT W/200 SX HIFILL CLASS G @11.0 PPG 3.82 YIELD. TAILED CMT W/200 SX PREM CLASS G @15.8 PPG 1.15 YIELD. NO RETURNS THROUGHOUT JOB 50 PSI LIFT. RAN 200' OF 1" PIPE. CMT W/125 SX PREM CLASS G @15.8 PPG 1.15 YIELD. TOP OUT W/1075 SX PREM CLASS G @15.8 PPG 1.15 YIELD. DOWN BACKSIDE GOOD CMT TO SURFACE HOLE STAYED FULL.

WORT.

NAME (PLEASE PRINT) SHEILA UPCHEGO	TITLE SENIOR LAND ADMIN SPECIALIST
SIGNATURE 	DATE 12/26/2007

(This space for State use only)

NOTICE OF LATE REPORTING DRILLING & COMPLETION INFORMATION

Utah Oil and Gas Conservation General Rule R649-3-6 states that,

- Operators shall submit monthly status reports for each drilling well (including wells where drilling operations have been suspended).

Utah Oil and Gas Conservation General Rule R649-3-21 states that,

- A well is considered completed when the well has been adequately worked to be capable of producing oil or gas or when well testing as required by the division is concluded.
- Within 30 days after the completion or plugging of a well, the following shall be filed:
 - Form 8, Well Completion or Recompletion Report and Log
 - A copy of electric and radioactivity logs, if run
 - A copy of drillstem test reports,
 - A copy of formation water analyses, porosity, permeability or fluid saturation determinations
 - A copy of core analyses, and lithologic logs or sample descriptions if compiled
 - A copy of directional, deviation, and/or measurement-while-drilling survey for each horizontal well

Failure to submit reports in a timely manner will result in the issuance of a Notice of Violation by the Division of Oil, Gas and Mining, and may result in the Division pursuing enforcement action as outlined in Rule R649-10, Administrative Procedures, and Section 40-6-11 of the Utah Code.

As of the mailing of this notice, the division has not received the required reports for

Operator: Kerr-McGee Oil & Gas Onshore, LP

Today's Date: 04/21/2008

Well:

43 047 39475
NBU 1022-1314S
10S 22E 13

API Number:

Drilling Commenced:

☒ List Attached

To avoid compliance action, required reports should be mailed within 7 business days to:

Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

If you have questions or concerns regarding this matter, please contact Rachel Medina
at (801) 538-5260.

cc: Well File
Compliance File

**NOTICE OF LATE REPORTING
DRILLING & COMPLETION INFORMATION**

ATTACHMENT

Operator: Kerr-McGee Oil & Gas Onshore, LP

Today's Date: 04/21/2008

Well:	API Number:	Drilling Commenced:
NBU 1022-13L3S	4304739485	10/26/2007
NBU 1022-13L4S	4304739486	10/26/2007
NBU 1022-13K3S	4304739481	10/27/2007
NBU 1022-13N2S	4304739487	10/27/2007
NBU 1022-13M2AS	4304739483	10/29/2007
NBU 1022-13N1S	4304739484	10/29/2007
NBU 1022-13M2CS	4304739488	10/29/2007
NBU 1022-13M1S	4304739482	10/30/2007
NBU 1021-1G	4304739001	11/01/2007
NBU 102213O4S	4304739480	11/12/2007
NBU 1022-13K-3T	4304739489	11/12/2007
NBU 1022-13O1CS	4304739476	11/13/2007
NBU 1022-13I4S	4304739475	11/15/2007
NBU 1022-13J4S	4304739477	11/15/2007

NOTICE OF LATE REPORTING
DRILLING & COMPLETION INFORMATION

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As of the mailing of this notice, the division has not received the required reports for

Operator: KERR-MCGEE OIL & GAS OHSORE, LP

Today's Date: 06/27/2008

Well:

API Number:

Drilling Commenced:

NBU 1021-1G

4304739001

11/01/2007

NBU 1022-1314S

4304739475

11/15/2007

BONANZA 1023-10A

4304738307

02/21/2008

IDS 22E 13

☐ List Attached

To avoid compliance action, required reports should be mailed within 7 business days to:

Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

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at (801) 538-5260.

cc: Well File
Compliance File

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS


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3. ADDRESS OF OPERATOR: 1368 SOUTH 1200 EAST CITY VERNAL STATE UT ZIP 84078		7. UNIT or CA AGREEMENT NAME: UNIT #891008900A
PHONE NUMBER: (435) 781-7024		8. WELL NAME and NUMBER: NBU 1022-1314S
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		10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES
		COUNTY: UINTAH
		STATE: UTAH

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	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
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<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: OPERATIONS SUSPENDED
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

THE OPERATOR REQUESTS AUTHORIZATION TO SUSPEND THE DRILLING OPERATIONS. THE OPERATOR HAS SET SURFACE CSG TO 2160'. AT THIS TIME THE OPERATOR IS EVALUATING THE SUBJECT WELL LOCATION FOR A SWD WELL LOCATION. IF THE SUBJECT WELL LOCATION IS A CANDIATE FOR A SWD, THE OPERATOR WILL SUBMIT A NOTICE OF INTENT TO TEST THE APPROPRIATE ZONES, AND FILE A APPLICATION FOR A SWD WELL.

NAME (PLEASE PRINT) SHEILA UPCHEGO	TITLE REGULATORY ANALYST
SIGNATURE 	DATE 8/20/2008

(This space for State use only)

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SEP 09 2008

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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3. ADDRESS OF OPERATOR: 1368 SOUTH 1200 EAST CITY VERNAL STATE UT ZIP 84078		7. UNIT or CA AGREEMENT NAME: UNIT #891008900A
PHONE NUMBER: (435) 781-7024		8. WELL NAME and NUMBER: NBU 1022-1314S
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1724'FSL, 1824'FWL		9. API NUMBER: 4304739475
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 13 10S 22E		10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES
COUNTY: UINTAH		STATE: UTAH

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	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: OPERATIONS SUSPENDED
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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NAME (PLEASE PRINT) SHEILA UPCHEGO

TITLE REGULATORY ANALYST

SIGNATURE

DATE 9/30/2008

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OCT 08 2008
DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

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COUNTY: UINTAH		STATE: UTAH

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NAME (PLEASE PRINT) SHEILA UPCHEGO

TITLE REGULATORY ANALYST

SIGNATURE

DATE 10/6/2008

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RECEIVED

OCT 08 2008

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

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PHONE NUMBER: (435) 781-7024		9. API NUMBER: 4304739475
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STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: OPERATIONS SUSPENDED
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

THE OPERATOR REQUESTS AUTHORIZATION TO SUSPEND THE DRILLING OPERATIONS. THE OPERATOR HAS SET SURFACE CSG TO 2160'. AT THIS TIME THE OPERATOR IS EVALUATING THE SUBJECT WELL LOCATION FOR A SWD WELL LOCATION. IF THE SUBJECT WELL LOCATION IS A CANDIATE FOR A SWD, THE OPERATOR WILL SUBMIT A NOTICE OF INTENT TO TEST THE APPROPRIATE ZONES, AND FILE A APPLICATION FOR A SWD WELL.

NAME (PLEASE PRINT) SHEILA UPCHEGO	TITLE REGULATORY ANALYST
SIGNATURE 	DATE 1/15/2009

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MAR 09 2009

DIV OF OIL, GAS AND MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL ☐ GAS WELL ☒ OTHER _____

2. NAME OF OPERATOR:
KERR MCGEE OIL & GAS ONSHORE LP

3. ADDRESS OF OPERATOR:
1368 SOUTH 1200 EAST CITY VERNAL STATE UT ZIP 84078

PHONE NUMBER:
(435) 781-7024

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1724'FSL, 1824'FWL

COUNTY: UINTAH

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 13 10S 22E

STATE: UTAH

5. LEASE DESIGNATION AND SERIAL NUMBER:
STUO-08512-ST

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:
UNIT #891008900A

8. WELL NAME and NUMBER:
NBU 1022-1314S

9. API NUMBER:
4304739475

10. FIELD AND POOL, OR WILDCAT:
NATURAL BUTTES

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
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NAME (PLEASE PRINT) SHEILA UPCHEGO

TITLE REGULATORY ANALYST

SIGNATURE

DATE 2/19/2009

(This space for State use only)

RECEIVED
MAR 09 2009
DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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2. NAME OF OPERATOR:
KERR MCGEE OIL & GAS ONSHORE LP

3. ADDRESS OF OPERATOR:
1368 SOUTH 1200 EAST CITY VERNAL STATE UT ZIP 84078

PHONE NUMBER:
(435) 781-7024

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COUNTY: UINTAH

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 13 10S 22E

STATE: UTAH

5. LEASE DESIGNATION AND SERIAL NUMBER:
STUO-08512-ST

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:
UNIT #891008900A

8. WELL NAME and NUMBER:
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NAME (PLEASE PRINT) SHEILA UPCHEGO

TITLE REGULATORY ANALYST

SIGNATURE

DATE 3/4/2009

(This space for State use only)

RECEIVED

MAR 09 2009

DIV. OF OIL, GAS & MINING



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

March 3, 2009

CERTIFIED MAIL NO.: 7004 1160 0003 0190 2525

Ms. Ramey Hoopes
Kerr McGee Oil and Gas
1368 South 1200 East
Vernal, UT 84078

43 047 39475
NBU 1022-13I4S
10S 22E 13

Subject: Extended Shut-in and Temporary Abandoned Well Requirements for Fee or State Leases

Dear Ms. Hoopes:

As of January 2009, Kerr McGee Oil and Gas has five (5) State Lease Wells (see attachment A) that are currently in non-compliance with the requirements for extended shut-in or temporarily abandoned (SI/TA) status.

Wells SI/TA beyond twelve (12) consecutive months requires filing a Sundry Notice (R649-3-36-1). Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Utah Division of Oil, Gas and Mining (Division) grants approval for extended shut-in time upon a showing of good cause by the operator (649-3-36-1.3.3). For extended SI/TA consideration the operator shall provide the Division with the following:

1. Reasons for SI/TA of the well (R649-3-36-1.1).
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3).

Please note that the Divisions preferred method for showing well integrity is by MIT.



Page 2

Kerr McGee Oil and Gas

March 3, 2009

Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

1. Wellbore diagram, and
2. Copy of recent casing pressure test, and
3. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
4. Fluid level in the wellbore, and
5. An explanation of how the submitted information proves integrity.

If the required information is not received within 30 days of the date of this notice, further actions may be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,



Dustin K. Doucet
Petroleum Engineer

DKD/JP/js

Enclosure

cc: Jim Davis, SITLA

Compliance File

Well File

N:\O&G Reviewed Docs\ChronFile\PetroleumEngineer\SITA

ATTACHMENT A

	Well Name	API	Lease Type	Years Inactive
1	NBU 3-2B	43-047-30267	ML22651	1 year 5 months
2	NBU 270	43-047-32862	ML23608	1 year 3 months
3	LOVE 1121-16F	43-047-36253	ML46532	1 year 2 months
4	NBU 1021-1G	43-047-39001	ML23612	1 year 2 months
5	NBU 1022-1314S	43-047-39475	STATE	1 year 2 months



Kerr McGee Oil and Gas Onshore LP
1368 SOUTH 1200 EAST • VERNAL, UT 84078
435-789-4433 • FAX 435-781-7094

April 7, 2009

State of Utah
Division of Oil Gas & Mining
Attention: Dustin Doucet
1594 West North Temple Suite 1210
Salt Lake City, Utah 84116-5801

REQUEST DENIED

Utah Division of
Oil, Gas and Mining

Date: 4/28/09
By: Dustin Doucet

* See letter dated 3/3/2009 and
R649-3-36 for requirements.

Dear Mr. Doucet:

RE: Extended Shut-In and Temporarily Abandon Wells Requirements for Fee or State
Leases

In reference to your letter dated March 3, 2009, the operator has the following as a
response to each of the well locations in question.

NBU 3-2B API: 4304730267 – This well is being operated and maintained by EOG
Resources.

NBU 270 API: 4304732862 – This well is being evaluated to be returned to production.

Love 1121-16F API: 4304736253 – This well is being evaluated for possible water shut-
off or if it is feasible for a pumping unit, to return to production.

NBU 1021-1G API: 4304739001 – The well has been deferred due to economics. The
operator will continue to submit the Notice of Intent sundry "Operations Suspended", on
a monthly basis, until such time this well can be placed on our drill schedule to
commence drilling operations.

NBU 1022-1314S API: 4304739475 – The well is being evaluated to be Plug and
Abandonment. *T105 R 22 E S-13*

If you have any questions, please feel free to contact me at (435) 781-7024.

Sincerely,


Sheila Upchego
Regulatory Analyst

COPY SENT TO OPERATOR

Date: 5.4.2009

Initials: KS

RECEIVED

APR 20 2009

DIV. OF OIL, GAS & MINING



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

July 6, 2009

CERTIFIED MAIL NO.: 7004 1160 0003 0190 3188

Ms. Sheila Wopsock
Kerr McGee Oil and Gas
1368 South 1200 East
Vernal, UT 84078

43 047 39475
NB U 1022-1314S
IDS 22E 13

Subject: SECOND NOTICE: Extended Shut-in and Temporarily Abandoned Requirements for Wells on Fee or State Leases
See Attachment A

Dear Ms. Wopsock:

As of January 2009, Kerr McGee Oil and Gas ("Kerr McGee") has five (5) State Mineral Lease Wells (see attachment A) that are currently in non-compliance with the requirements for extended shut-in or temporarily abandoned (SI/TA) status.

This is the second notice of non-compliance that Kerr McGee has received for the above-mentioned wells. On March 3, 2009 via certified mail the first notice was sent requesting required information to bring these wells into compliance. Kerr McGee sent a letter dated April 7, 2009 in response, which listed future plans for the wells. The Utah Division of Oil, Gas & Mining ("Division") sent Kerr McGee a "request denied" (in regard to SI/TA extension status) dated April 28, 2009 and mailed on May 4, 2009. This denial was sent due to lack of addressing the requirements per Rule R649-3-36. To date the Division has not received any additional correspondence from Kerr McGee, nor seen any progress being made to move the wells out of non-compliance status.

Wells SI/TA beyond twelve (12) consecutive months requires filing a Sundry Notice (R649-3-36-1). Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (649-3-36-1.3.3). For extended SI/TA consideration the operator shall provide the Division with the following:

1. Reasons for SI/TA of the well (R649-3-36-1.1).
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and



3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3).

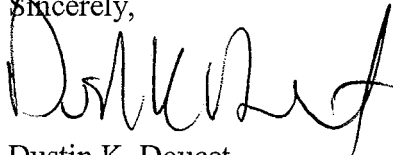
Please note that the Divisions preferred method for showing well integrity is by MIT.

Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

1. Wellbore diagram, and
2. Copy of recent casing pressure test, and
3. Current pressures on the wellbore (**Surface Casing Pressure, Production Casing Pressure** and Tubing Pressure) showing wellbore has integrity, and
4. **Fluid level** in the wellbore, and
5. **An explanation of how the submitted information proves integrity.**

If the required information is not received within 30 days of the date of this notice, a Notice of Violation may be issued. If you have any questions concerning this matter, please contact Joshua Payne at (801) 538-5314 or me at (801) 538-5281.

Sincerely,



Dustin K. Doucet
Petroleum Engineer

DKD/JP/js
Enclosure
cc: Jim Davis, SITLA
Compliance File
Well File

N:\O&G Reviewed Docs\ChronFile\PetroleumEngineer\SITA

ATTACHMENT A

	Well Name	API	Lease Type	Years Inactive
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4	NBU 1022-13I4S	43-047-39475	STATE	1 year 8 months

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: STUO-08512-ST
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.		7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779		8. WELL NAME and NUMBER: NBU 1022-1314S
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1724 FSL 1824 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESW Section: 13 Township: 10.0S Range: 22.0E Meridian: S		9. API NUMBER: 43047394750000
PHONE NUMBER: 720 929-6007 Ext		9. FIELD and POOL or WILDCAT: NATURAL BUTTES
COUNTY: UINTAH		STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 11/13/2009 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION </div> <div style="width: 33%;"> <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input checked="" type="checkbox"/> OTHER </div> <div style="width: 33%;"> <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: OPERATIONS SUSPE </div> </div>	
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REQUEST DENIED Utah Division of Oil, Gas and Mining Date: <u>November 16, 2009</u> By: <u><i>Dan K. Quist</i></u>		
NAME (PLEASE PRINT) Andy Lytle		PHONE NUMBER 720 929-6100
SIGNATURE N/A		TITLE Regulatory Analyst
DATE 11/12/2009		



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Sundry Conditions of Approval Well Number 43047394750000

See requirements of R649-3-36. Need showing of integrity.

REQUEST DENIED
Utah Division of
Oil, Gas and Mining

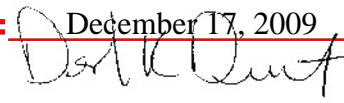
Date: November 16, 2009
By: Dan K. Quist

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9			
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COUNTY: UINTAH		STATE: UTAH			
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA					
TYPE OF SUBMISSION <input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 12/18/2009 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	TYPE OF ACTION <table style="width: 100%; border: none;"> <tr> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input checked="" type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: _____ </td> </tr> </table>		<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input checked="" type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: _____
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12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. The Operator requests authorization to Temporarily Abandon and defer drilling operations on this well. Current status of this wellbore is: The 9 5/8" surface casing for this well was set and cemented in place on 12/19/2007 to a depth of 2160' feet. The casing was run with a float collar approximately 42' above the guide shoe. Cement was circulated down the casing with the wiper plug bumped with 500 psi over circulating pressure. Cement was circulated to surface up the backside and topped off with cement down the backside to ensure complete fill up of the annulus to surface. The well has been inspected in the last month to ensure well integrity. Covers have been installed on the well, the cellar rings and pits have been backfilled. This well is on the drill schedule to be drilled by the end of the year 2010.					
NAME (PLEASE PRINT) Andy Lytle		PHONE NUMBER 720 929-6100			
SIGNATURE N/A		TITLE Regulatory Analyst DATE 12/17/2009			

**Approved by the
 Utah Division of
 Oil, Gas and Mining**

Date: December 17, 2009

By:





The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Sundry Conditions of Approval Well Number 43047394750000

**Periodic monitoring of well should take place to ensure continued integrity and security.
Approval granted through 12/31/2010.**

**Approved by the
Utah Division of
Oil, Gas and Mining**

Date: December 17, 2009
By: Dan K. Quist

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9			
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: STUO-08512-ST			
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 			
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.		7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES			
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779		8. WELL NAME and NUMBER: NBU 1022-1314S			
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1724 FSL 1824 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESW Section: 13 Township: 10.0S Range: 22.0E Meridian: S		9. API NUMBER: 43047394750000			
PHONE NUMBER: 720 929-6515 Ext		9. FIELD and POOL or WILDCAT: NATURAL BUTTES			
COUNTY: UTAH		STATE: UTAH			
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA					
TYPE OF SUBMISSION	TYPE OF ACTION				
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 4/12/2011 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<table style="width: 100%; border: none;"> <tr> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input checked="" type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: </td> </tr> </table>		<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input checked="" type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER:
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12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. The operator requests to plug and abandoned the subject well location. This well location was never completed. Please see attached plug and abandonment procedures.					
Approved by the Utah Division of Oil, Gas and Mining Date: 04/19/2011 By: <u><i>Derek Duff</i></u>					
NAME (PLEASE PRINT) Gina Becker		PHONE NUMBER 720 929-6086			
SIGNATURE N/A		TITLE Regulatory Analyst II			
DATE 4/12/2011					



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Sundry Conditions of Approval Well Number 43047394750000

- 1. Notify the Division at least 24 hours prior to conducting abandonment operations. Please call Dan Jarvis at 801-538-5338.**
- 2. Surface reclamation shall be done in accordance with R649-3-34 – Well Site Restoration.**
- 3. Amend Plug #2: CICR shall be set @ 1288' (50' above the perfs). If injection is established: M&P 459 sx cement as proposed, sting into CICR pump 288 sx, sting out and spot 170 sx on top of CICR. This will isolate the top of the Parachute Creek Member as required by Cause 190-5(B).**
- 4. All balanced plugs shall be tagged to ensure that they are at the depth specified.**
- 5. All annuli shall be cemented from a minimum depth of 100' to the surface.**
- 6. All requirements in the Oil and Gas Conservation General Rule R649-3-24 shall apply.**
- 7. If there are any changes to the procedure or the wellbore configuration, notify Dustin Doucet at 801-538-5281 (ofc) or 801-733-0983 (home) prior to continuing with the procedure.**
- 8. All other requirements for notice and reporting in the Oil and Gas Conservation General Rules shall apply.**

4/19/2011

Wellbore Diagram

r263

API Well No: 43-047-39475-00-00

Permit No:

Well Name/No: NBU 1022-1314S

Company Name: KERR-MCGEE OIL & GAS ONSHORE, L.P.

Location: Sec: 13 T: 10S R: 22E Spot: NESW

Coordinates: X: 637499 Y: 4422839

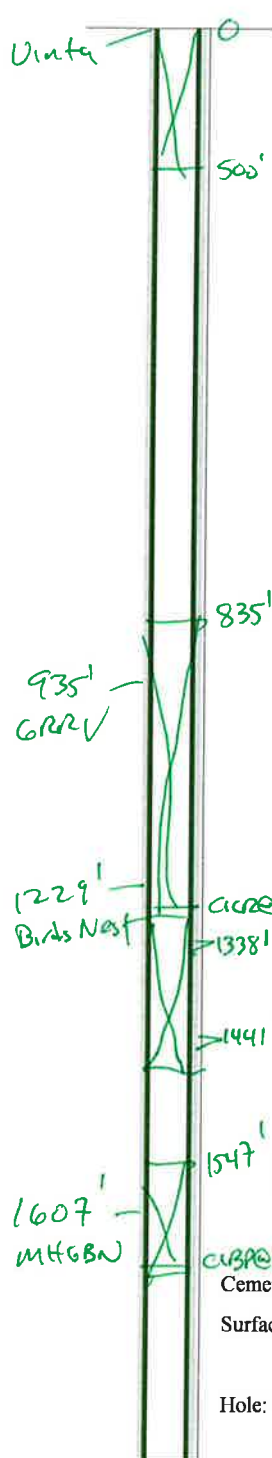
Field Name: NATURAL BUTTES

County Name: UTAH

String Information

String	Bottom (ft sub)	Diameter (inches)	Weight (lb/ft)	Length (ft)
HOL1	2160	12.25		
SURF	2160	9.625	36	

Capacity
(cf/ct)
2.304



Plug #3

$$(1405 \times) (1.15) (2.304) = 503' \checkmark \text{OK}$$

Cement Information

String	BOC (ft sub)	TOC (ft sub)	Class	Sacks
SURF	2160	0	G	1400
SURF	2160	0	HG	200

Perforation Information

* Amend Plug #2

Move CCR to w/in 50' of perfs (1288')

Below (4595x - 1705x = 2885x)

$$(2885 \times) (1.15) (2.304) = 763' \text{ max } \checkmark \text{OK}$$

Above

$$453' / (1.15) (2.304) = 1705x \text{ TOC @ 835'}$$

Formation Information

Formation	Depth
UNTA	0
GRRV	935
MHGBN	1607

Plug #1

$$(45 \times) (1.15) (2.304) = 119'$$

TOC @ 1547'

✓ OK

Cement from 2160 ft. to surface

Surface: 9.625 in. @ 2160 ft.

Hole: 12.25 in. @ 2160 ft.

TD:

TVD:

PBTD:

RECEIVED Apr. 12, 2011

NBU 1022-13I4S
1724' FSL & 1824' FWL
NESW SEC. 13, T10S, R22E
Uintah County, UT

KBE:	5310'	API NUMBER:	43-047-39475
GLE:	5293'	LEASE NUMBER:	STUO-08512-ST
TD:	2160'	WI:	100.000000%
		NRI:	81.200000%
		WINS:	95389

CASING: 20" hole
14" STL 36.7# csg @ 40' GL
Cemented to surface w/ 28 sx

12.25" hole
9.625" 36# J-55@ 2160' KB
Cemented with 1400 sx. Cement to surface and hole stayed full. TOC @ surface.

GEOLOGIC INFORMATION:

Formation	Depth to top, ft.	Tech. Pub. #92 Base of USDW's	
Uinta	Surface	USDW Elevation	~500' MSL
Green River	935'	USDW Depth	~4810' KBE
Bird's Nest	1229'		
Mahogany	1607'		

WELL HISTORY:

- DEC 2007: INSTALLED 2120' of 9 5/8" 36# J-55 SURFACE CASING.

NBU 1022-13I4S PLUG & ABANDONMENT PROCEDURE

GENERAL

- H₂S MAY BE PRESENT. CHECK FOR H₂S AND TAKE APPROPRIATE PRECAUTIONS.
- CEMENT QUANTITIES BELOW ASSUME NEAT CLASS G, YIELD 1.145 CUFT./SX. IF A DIFFERENT PRODUCT IS USED, WELLSITE PERSONNEL ARE RESPONSIBLE FOR CORRECTING QUANTITIES TO YIELD THE STATED SLURRY VOLUME. WHEN SQUEEZING, INCLUDE 10% EXCESS PER 1000' OF DEPTH.
- TREATED FRESH WATER WILL BE PLACED BETWEEN ALL PLUGS INSTEAD OF BRINE.
- ALL DISPLACEMENT FLUID SHALL CONTAIN CORROSION INHIBITOR AND BIOCIDES. PREMIX 5 GALLONS PER 100 BBLS FLUID.
- NOTIFY UDOGM 24 HOURS BEFORE MOVING ON LOCATION.

PROCEDURE

1. MIRU. RU WIRELINE AND MAKE A GAUGE RING RUN TO CHECK FOR OBSTRUCTIONS.
2. PLUG #1, MAHOGANY TOP (1607'): RIH W/ TBG SET CIBP. SET @ ~1667'. RELEASE CIBP, PUH 10', BRK CIRC W/ FRESH WATER. DISPLACE 45 SX CMT (62.5 CUFT) AND BALANCE PLUG W/ TOC @ ~1523' (144' CMT). PUH ABOVE TOC. REVERSE CIRCULATE WITH 10 PPG BRINE.
3. PLUG #2, BIRDS NEXT PERFS (1338' - 1441') AND TOP OF GREEN RIVER (935'): POOH W/ TBG. RIH W/ 9 5/8" CICR, SET @ 835'. RIH W/ TBG & STING INTO CICR & SQUEEZE PERFS W/ A MINIMUM OF 459 SX (526.0 CUFT). STING OUT OF CICR AND PUH TO 500'.
4. PLUG #3, SURFACE HOLE: PUMP 190 SX CMT (217.0 CUFT) DN TBG & UP 9 5/8" CSG ANNULUS TO SURFACE. POOH AND TOP OF CMT.
5. CUT OFF WELLHEAD AND INSTALL MARKER PER BLM GUIDELINES.
6. RDMO. TURN OVER TO OPERATIONS FOR SURFACE REHAB.

ALM 2/1/11



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

April 14, 2011

CERTIFIED MAIL NO.: 7005 1820 0001 5562 9054

Ms. Julie Jacobson
Kerr McGee Oil and Gas
1099 18th St, Ste 1800
Denver CO 80202

43 047 39475
NBU 1022-13145
105 22E 13

Subject: **SECOND NOTICE: Extended Shut-in and Temporarily Abandoned Well Requirements for Wells on Fee or State Leases**

Dear Ms. Jacobson:

As of January 2011, Kerr McGee Oil and Gas (Kerr McGee) has one (1) Fee Lease Well and sixteen (16) State Lease Wells (see Attachment A) that are in non-compliance with the requirements for extended shut-in or temporarily abandoned (SI/TA) status. Wells SI/TA beyond twelve (12) consecutive months requires the filing of a Sundry Notice in accordance with R649-3-36-1 for Utah Division of Oil, Gas & Mining (Division) approval. Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (R649-3-36-1.3.3).

This is the **SECOND NOTICE** of non-compliance that Kerr McGee has received for wells listed as such on Attachment A. In March and April 2009 via certified mail the first notices were sent requesting required information to bring wells into compliance. Kerr McGee sent response dated April 7, 2009, which listed future plans for the wells. The Division sent Kerr McGee a "request denied" (in regard to SI/TA extension status) dated April 28, 2009. This denial was sent due to lack of addressing the requirements per Rule R649-3-36. Second notices were sent via certified mail in July 2009. Additional correspondence from Kerr McGee was received and four (4) of the aforementioned wells (Attachment A) had been granted SI/TA extensions which have since expired. To date the Division has not received additional information nor seen any progress being made to move the wells out of non-compliance status.

This is also a **reissuance of a FIRST NOTICE** for wells listed as such on Attachment A as they previously had notices sent on October 1, 2008. It is also a First Notice for wells that have recently been added to Kerr McGee's non compliance list. Please submit the required information for extended SI/TA status within 30 days of this notice or further actions will be initiated.



Page 2
Kerr McGee Oil and Gas
April 14, 2011

For extended SI/TA consideration the operator shall provide the Utah Division of Oil, Gas & Mining with the following:

1. Reasons for SI/TA of the well (R649-3-36-1.1).
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3).

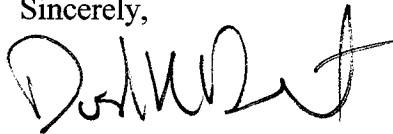
Please note that the Divisions preferred method for showing well integrity is by MIT

Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

1. Wellbore diagram, and
2. Copy of recent casing pressure test, and
3. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
4. Fluid level in the wellbore, and
5. An explanation of how the submitted information proves integrity.

If the required information is not received within 30 days of the date of this notice, further actions may be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,



Dustin K. Doucet
Petroleum Engineer

DKD/JP/js
Enclosure
cc: Compliance File
Well File
LaVonne Garrison, SITLA

ATTACHMENT A

	Well Name	API	LEASE	Years Inactive	SI/TA Extension Expired On
Reissued 2ND NOTICE					
1	LOVE 1121-16F	43-047-36253	ML-46532	3 Years 2 Months	
2	NBU 1021-1G	43-047-39001	ML-23612	3 Years 2 Months	12/31/2010
3	NBU 1022-13I4S	43-047-39475	STUO-08512-ST	3 Years 2 Months	12/13/2010
4	NBU 3-2B	43-047-30267	ML-22651	3 Years 5 Months	
Reissued 1ST NOTICE					
5	BONANZA 1023-16J	43-047-37092	ML-22186-A	3 Years 10 Months	12/31/2010
6	NBU 921-34J	43-047-37953	STATE	3 Years 6 Months	9/01/2009
1ST NOTICE					
7	HALL ET AL 31 18	43-047-30664	FEE	2 Years 5 Months	
8	STATE 921-27L	43-047-32466	U-01194AST	2 Years 2 Months	
9	NBU 1022-16O	43-047-35945	ML-3276	2 Years 2 Months	
10	NBU 1022-16E	43-047-35949	ML-3276	1 Year 1 Month	
11	LOOKOUT POINT STATE 1-16	43-047-30544	ML-22186-A	1 Year 9 Months	
12	CIGE 79D	43-047-30896	ML-23612	1 Year 1 Month	
13	CIGE 240	43-047-33207	ML-22935	1 Year 9 Months	
14	OURAY 32-146	43-047-33623	ML-22052	1 Year 9 Months	
15	NBU 921-34L	43-047-36388	STUO-1194-AST	1 Year 9 Months	
16	NBU 921-33J	43-047-36394	STUO-015630-ST	1 Year 11 Months	
17	NBU 438-19E	43-047-37534	ML-22792	1 Year	

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: STUO-08512-ST
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.		7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779		8. WELL NAME and NUMBER: NBU 1022-1314S
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1724 FSL 1824 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESW Section: 13 Township: 10.0S Range: 22.0E Meridian: S		9. API NUMBER: 43047394750000
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<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 6/29/2011	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input checked="" type="checkbox"/> OTHER	
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<input type="checkbox"/> DRILLING REPORT Report Date:	OTHER: WELL STATUS	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. This well was approved for plug and abandonment operations on 04/19/2011. No operational activities have occurred this month and this well has not been plugged yet.		
Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY		
NAME (PLEASE PRINT) Andy Lytle		PHONE NUMBER 720 929-6100
SIGNATURE N/A		TITLE Regulatory Analyst
DATE 6/29/2011		



May 12, 2011

Dustin K. Doucet
Petroleum Engineer
Division of Natural Resources, Division of Oil, Gas and Mining
State of Utah
PO Box 145801
Salt Lake City UT 84114-5801

Dear Mr. Doucet:

Dustin

We are in receipt of your letter dated April 14, 2011, regarding the shut-in and temporarily abandoned status of 17 wells operated by Kerr McGee Oil and Gas.

The attached list explains the status of each well referenced in your April 14, 2011, letter.

Please do not hesitate to contact me if you have any questions or concerns. I can be reached at 720-929-6515.

Sincerely,

A handwritten signature in black ink, appearing to read 'Julie A. Jacobson'.

Julie A. Jacobson
Regulatory Affairs Supervisor

Attachment

Accepted by the
Utah Division of
Oil, Gas and Mining
For Record Only

RECEIVED

MAY 16 2011

DIV. OF OIL, GAS & MINING

Anadarko Response to UDOGM Letter of April 14, 2011

Well Name	API	Lease	Status / Comment
Love 1121-16F	43-047-36253	ML-46532	P&A procedure will be submitted by June 3, 2011. ✓
NBU 1021-1G	43-047-39001	ML-23612	Sundry approved on 5/3/2011 to convert to Birds Nest Monitor well. ✓
~ NBU 1022-1314S	43-047-39475	STUO-08512-ST	P&A sundry approved 4/19/2011; will be plugged in summer.
NBU 3-2B	43-047-30267	ML-22651	P&A procedure will be submitted by June 3, 2011. ✓
Bonanza 1023-16J	43-047-37092	ML-22186-A	TA approved by State on 4/19/2011. EXT to 12/31/2011
NBU 921-34J	43-047-37953	State	Sundry to convert to a Birds Nest monitoring well will be submitted by June 3, 2011. ✓
~ Hall ET AL 31 18	43-047-30664	Fee	Will return to production - maintenance work will be completed by July 1, 2011.
~ State 921-27L	43-047-32466	U-01194AST	Recomplete approved on 4/27/2011.
NBU 1022-16O	43-047-35945	ML-3276	P&A procedure will be submitted by June 3, 2011. ✓ paid
NBU 1022-16E	43-047-35949	ML-3276	P&A procedure will be submitted by June 3, 2011. ✓
Lookout Point State 1-16	43-047-30544	ML-22186-A	Replaced faulty surface equipment and returned to production. Recomplete procedure will be submitted by June 3, 2011; will complete recompletion operations within 30 days after receipt of an approved permit. ✓ "p"
CIGE 79D	43-047-30896	ML-23612	Converted to SWD well; UDOGM approval on May 18, 2010. ✓
~ CIGE 240	43-047-33207	ML-22935	Recomplete sundry approved on 4/28/2011; work will be completed with 922-29F pad.
~ Ouray 32-146	43-047-33623	ML-22052	Will be returned to production - workover will be performed by July 1, 2011.
NBU 921-34L	43-047-36388	STUO-1194-AST	P&A procedure will be submitted by June 3, 2011. 6/6/2011 going to convert to monitor well
~ NBU 921-33J	43-047-36394	STUO-015630-ST	Recomplete to the Green River sundry will be submitted by June 3, 2011.
NBU 438-19E	43-047-37534	ML-22792	P&A procedure will be submitted by June 3, 2011 (recent attempts to return production have failed). ✓

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MAY 16 2011

DIV. OF OIL, GAS & MINING

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Utah Division of
Oil, Gas and Mining
For Record Only



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

January 26, 2012

CERTIFIED MAIL NO.: 7011 0110 0001 3568 1731

Ms. Julie Jacobson
Kerr McGee Oil and Gas
1099 18th Street, Suite 1800
Denver, CO 80202

43 047 39475
NBU 1022-1314S
10S 22E 13

Subject: **SECOND NOTICE: Extended Shut-in and Temporarily Abandoned Well Requirements for Wells on Fee or State Leases**

Dear Ms. Jacobson:

As of January 2012, Kerr McGee Oil and Gas (Kerr McGee) has sixteen (16) State Lease Wells (see Attachment A) that are in non-compliance with the requirements for extended shut-in or temporarily abandoned (SI/TA) status. Wells SI/TA beyond twelve (12) consecutive months requires the filing of a Sundry Notice in accordance with R649-3-36-1 for Utah Division of Oil, Gas & Mining (Division) approval. Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (R649-3-36-1.3.3).

This a **THIRD NOTICE** of non-compliance for NBU 1022-1314S which had a re-issued second notice on April 14, 2011. Later an approval to PA on April 19, 2011 was signed by the Division.

This is the **SECOND NOTICE** of non-compliance that Kerr McGee has received for wells listed as such on Attachment A. These wells received a first notice on April 14, 2011. Additional correspondence from Kerr McGee was received in May and June. Three (3) of the aforementioned wells (Attachment A) had previously been granted SI/TA extensions which have since expired.

This is also **FIRST NOTICE** for wells that have recently been added to Kerr McGee's non compliance list. Please submit the required information for extended SI/TA status within 30 days of this notice or further actions will be initiated.

Page 2
Kerr McGee Oil and Gas
January 26, 2012

For extended SI/TA consideration the operator shall provide the Utah Division of Oil, Gas & Mining with the following:

1. Reasons for SI/TA of the well (R649-3-36-1.1).
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3).

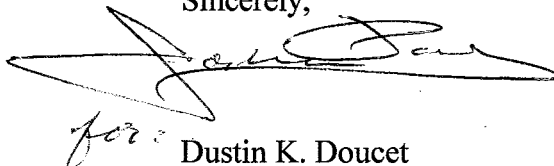
Please note that the Divisions preferred method for showing well integrity is by MIT

Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

1. Wellbore diagram, and
2. Copy of recent casing pressure test, and
3. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
4. Fluid level in the wellbore, and
5. An explanation of how the submitted information proves integrity.

If the required information is not received within 30 days of the date of this notice, further actions may be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,



for: Dustin K. Doucet
Petroleum Engineer

DKD/JP/js
Enclosure
cc: Compliance File
Well File
LaVonne Garrison, SITLA

ATTACHMENT A

	Well Name	API	LEASE	Years Inactive	SI/TA Extension Expired On
3RD NOTICE					
1	NBU 1022-13I4S	43-047-39475	STUO-08512-ST	4 Years 2 Months	12/31/2010
2ND NOTICE					
2	BONANZA 1023-16J	43-047-37092	ML-22186-A	4 Years 10 Months	12/31/2011
3	NBU 921-34J	43-047-37953	STATE	4 Years 6 Months	9/01/2009
4	NBU 921-34L	43-047-36388	STUO-1194-A	2 Years 9 Months	
5	NBU 921-33J	43-047-36394	STOU-015630	2 Years 11 Months	
1ST NOTICE					
6	UTE TRAIL U 88X2G	43-047-15389	ML-3352	1 Year 6 Months	
7	CIGE 3-32-9-22	43-047-30320	ML-22649	1 Year 8 Months	
8	NBU 31-12B	43-047-30385	ML-01197-A	1 Year 10 Months	
9	CIGE 51D	43-047-30889	U-01530-ST	1 Year 6 Months	
10	NBU 69N2	43-047-31090	U-01194-ST	1 Year	
11	NBU 97	43-047-31744	U-01189-ST	1 Year 1 Month	
12	BONANAZA 1023-2I	43-047-35663	ML-47062	1 Year 5 Months	
13	NBU 921-25D	43-047-36700	UO-01189-ST	1 Year 2 Months	
14	NBU 565-30E	43-047-37533	ML-22793	1 Year 11 Months	
15	STATE 1021-36D	43-047-38845	ML-47060	1 Year 5 Months	
16	NBU 661-24E	43-047-50011	ML-22790	1 Year 8 Months	



February 23, 2012

Dustin K. Doucet
Petroleum Engineer
Division of Natural Resources, Division of Oil, Gas and Mining
State of Utah
PO Box 145801
Salt Lake City UT 84114-5801

Dear Mr. Doucet:

We are in receipt of your letters dated January 26, 2012, regarding the shut-in and temporarily abandoned status of wells operated by Kerr McGee Oil and Gas.

The attached list explains the status of each well referenced in your January 26, 2012, letters.

Please do not hesitate to contact me if you have any questions or concerns. I can be reached at 720-929-6515.

Sincerely,

A handwritten signature in black ink, appearing to read "Julie A. Jacobson".

Julie A. Jacobson
Regulatory Affairs Supervisor

Attachment

RECEIVED
FEB 23 2012
DIV. OF OIL, GAS & MINING

23-Feb-12

UDOGM LETTER(S)

WELL	API	Lease	Comment
UTAH 10-415	43-015-30391	ML-48189	P&A procedure planned to be submitted
NBU 1022-13I4S	43-047-39475	STUO-08512-ST	P&A procedure approved in June 2011; work completed by April 11, 2012
Bonanza 1023-16J	43-047-37092	ML-22186-A	TA approved on 4/19/2011; considering use of wellbore
NBU 921-34J	43-047-37953	STATE	June 2011 approved to convert to Birds Nest; convert by July 1, 2012
NBU 921-34L	43-047-36388	STUO-1194-A	June 2011 approved to convert to Birds Nest; convert by July 1, 2012
NBY 921-33J	43-047-36394	STUO-015630	Recompleted approved June 2011; on schedule
UTE Trail U88X2G	43-047-15389	ML-3352 (ML13826??)	Decision on well by May 1, 2012
CIGE 3-32-9-22	43-047-30320	ML-22649	Waiting for ground from recent activities to settle and then will put well back on production
NBU 31-12B	43-047-30385	ML-01197	Return to production by 5/1/2012
CIGE 51D	43-047-30889	U-01530-ST	P&A procedure approved; will plug this year
NBU 69N2	43-047-31090	U-01194-ST	Under review
NBU 97	43-047-31744	U-01189-ST	TA'd due to pressure monitor; pad completion aroun 9/1/2012
BONANZA 1023-2I	43-047-35663	ML-47062	work over scheduled 6/1/2012
NBU 921-25D	43-047-36700	UO-001189	TA'd due to pressure monitor; expected to drill out around 9/1/2012
NBU 565-30E	43-047-37533	ML-22793	P&A producer approved; work will be completed 7/18/2012
STATE 1021-36D	43-047-38845	ML-47060	producing (as of 12/28/2011)
NBU 661-24E	43-047-50011	ML-22790	producing (as of 12/28/2011)

RECEIVED
FEB 23 2012
DIV. OF OIL, GAS & MINING

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: STUO-08512-ST
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.		7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779		8. WELL NAME and NUMBER: NBU 1022-1314S
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1724 FSL 1824 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESW Section: 13 Township: 10.0S Range: 22.0E Meridian: S		9. API NUMBER: 43047394750000
PHONE NUMBER: 720 929-6514		9. FIELD and POOL or WILDCAT: NATURAL BUTTES
COUNTY: UINTAH		STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 2/22/2012	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input checked="" type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION	
<input type="checkbox"/> DRILLING REPORT Report Date:	OTHER: <input style="width: 100px;" type="text"/>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. The operator has concluded the plug and abandonment operations on the subject well location on 02/22/2012. Please see the attached chronological well history for details and updated latitude and longitude locations. Thank you.		
Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY June 22, 2012		
NAME (PLEASE PRINT) Jaime Scharnowske	PHONE NUMBER 720 929-6304	TITLE Regulatory Analyst
SIGNATURE N/A	DATE 6/20/2012	

US ROCKIES REGION
Operation Summary Report

Well: NBU 1022-13I4S					Spud Date: 11/15/2007					
Project: UTAH-UINTAH				Site: WHITE RIVER PAD				Rig Name No: WESTERN WELLSITE/UNK		
Event: ABANDONMENT				Start Date: 2/17/2012				End Date: 2/22/2012		
Active Datum: RKB @5,310.00usft (above Mean Sea Level)				UWI: NBU 1022-13I4S						
Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation		
2/17/2012	7:00 - 17:00	10.00	ABAND					PREJOB SAFETY MEETING, ROAD EQUIPMENT TO LOCATION, WORK ON REMOVING NIGHT CAP OFF 9 5/8" CASING FAILED, WO ORDERS, SDFN		
2/20/2012	7:00 - 17:00	10.00	ABAND					PREJOB SAFETY MEETING, WO NEW WELLHEAD, CUT OFF WELLHEAD WITH STUCK NIGHT CAP, WELD ON NEW WELLHEAD, RU, RU WIRELINE, RIH WITH GAUGE RING TO 1675', POOH, RIH WITH CIBP AND SET AT 1667', POOH, NUWH, NUBOP, RIH WITH PERF GUN AND PERF AT 1338', POOH, GOOD RATE INTO PERFS, RD WIRELINE, TIH WITH TUBING TO 1655', SIW,SDFN		
2/21/2012	7:00 - 17:00	10.00	ABAND					PREJOB SAFETY MEETING, MIX AND PUMP 45SXS CLASS G CEMENT ON TOP OF CIBP AT 1667', TOH, NDBOP, NDWH, PU 9 5/8" CICR, TIH AND SET AT 1273', MIX AND PUMP 60SXS CLASS G CEMENT (40SXS UNDER, 20SXS ON TOP), TOH, NUWH, NUBOP, TIH TO 1000', LOAD HOLE WITH 100BLS TMAC, PRESSURE TEST CASING TO 500PSI HELD, MIX AND PUMP 80 SXS CLASS G CEMENT, TOH, NDBOP, NDWH, TIH TO 110', MIX AND PUMP 50SXS CLASS G CEMENT TO SURFACE, TOH, RD, DIG OUT WELLHEAD, SDFN WITNESSED BY: DAVE HACKFORD DOGM 39.946381/-109.391092		
2/22/2012	7:00 - 17:00	10.00	ABAND					PREJOB SAFETY MEETING, DIG OUT WELLHEAD, CUT OFF WELLHEAD, WELD ON INFO PLATE, BACKFILL, CLEAN LOCATION, MO WITNESSED BY: DAVE HACKFORD DOGM		

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

AMENDED REPORT ☐ FORM 8
(highlight changes)

5. LEASE DESIGNATION AND SERIAL NUMBER:
UT ST UO 08512 ST

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT or CA AGREEMENT NAME

8. WELL NAME and NUMBER:
NBU 1022-1314S

9. API NUMBER:
4304739475

10. FIELD AND POOL, OR WILDCAT
NATURAL BUTTES

11. QTR/QTR, SECTION, TOWNSHIP, RANGE,
MERIDIAN:
NESW 13 10S 22E S

12. COUNTY
UINTAH

13. STATE
UTAH

1a. TYPE OF WELL: OIL WELL ☐ GAS WELL ☒ DRY ☐ OTHER _____

b. TYPE OF WORK:
NEW WELL ☐ HORIZ. LATS. ☐ DEEP-EN ☐ RE-ENTRY ☐ DIFF. RESVR. ☐ OTHER PLUG & ABANDON

2. NAME OF OPERATOR:
KERR MCGEE OIL & GAS ONSHORE, L.P.

3. ADDRESS OF OPERATOR:
P.O. BOX 173779 CITY DENVER STATE CO ZIP 80217

PHONE NUMBER:
(720) 929-6000

4. LOCATION OF WELL (FOOTAGES)
AT SURFACE: NESW 1724 FSL 1824 FWL S13,T10S,R22E

AT TOP PRODUCING INTERVAL REPORTED BELOW:

AT TOTAL DEPTH:

14. DATE SPURRED: 11/15/2007

15. DATE T.D. REACHED: 12/18/2007

16. DATE COMPLETED: 2/21/2012

ABANDONED ☒ READY TO PRODUCE ☐

17. ELEVATIONS (DF, RKB, RT, GL):
5293 GL

18. TOTAL DEPTH: MD 2,160
TVD

19. PLUG BACK T.D.: MD
TVD

20. IF MULTIPLE COMPLETIONS, HOW MANY? *

21. DEPTH BRIDGE MD 1,667
PLUG SET: TVD

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)

23.

WAS WELL CORED? NO ☒ YES ☐ (Submit analysis)

WAS DST RUN? NO ☒ YES ☐ (Submit report)

DIRECTIONAL SURVEY? NO ☐ YES ☐ (Submit copy)

24. CASING AND LINER RECORD (Report all strings set in well)

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
20"	14" STL	36.7#	0	40		28			
12.25"	9 5/8" J-55	36#	0	2,160		1,600		0	

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)
(A)				
(B)				
(C)				
(D)				

27. PERFORATION RECORD

INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
			Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
			Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
			Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
			Open <input type="checkbox"/> Squeezed <input type="checkbox"/>

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL

29. ENCLOSED ATTACHMENTS:

☐ ELECTRICAL/MECHANICAL LOGS ☐ GEOLOGIC REPORT ☐ DST REPORT ☐ DIRECTIONAL SURVEY

☐ SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION ☐ CORE ANALYSIS ☐ OTHER: _____

30. WELL STATUS:

P&A

31. INITIAL PRODUCTION

INTERVAL A (As shown in Item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	INTERVAL STATUS:

INTERVAL B (As shown in Item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	INTERVAL STATUS:

INTERVAL C (As shown in Item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	INTERVAL STATUS:

INTERVAL D (As shown in Item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	INTERVAL STATUS:

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof. Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
				GREEN RIVER BIRD'S NEST MAHOGANY WASATCH MESAVERDE	935 1,229 1,607 3,959 6,190

35. ADDITIONAL REMARKS (Include plugging procedure)

Well was P&A'd on 2/21/2012. 235 sxs cement pumped from 1667' to surface. Attached is the chronological well history and plugging operations as per the plugging procedure submitted with the plugging sundry as witnessed by Dave Hackford of Utah Dept. of Oil & Gas.

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) CARA MAHLERTITLE REGULATORY ANALYSTSIGNATURE DATE 6/29/12

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

** ITEM 24: Cement Top – Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940

US ROCKIES REGION
Operation Summary Report

Well: NBU 1022-1314S			Spud Date: 11/15/2007		
Project: UTAH-UINTAH		Site: WHITE RIVER PAD		Rig Name No: WESTERN WELLSITE/UNK	
Event: ABANDONMENT		Start Date: 2/17/2012		End Date: 2/22/2012	
Active Datum: RKB @5,310.00usft (above Mean Sea Level)			UWI: NBU 1022-1314S		

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/O	MD From (usft)	Operation
2/17/2012	7:00 - 17:00	10.00	ABAND					PREJOB SAFETY MEETING, ROAD EQUIPMENT TO LOCATION, WORK ON REMOVING NIGHT CAP OFF 9 5/8" CASING FAILED, WO ORDERS, SDFN
2/20/2012	7:00 - 17:00	10.00	ABAND					PREJOB SAFETY MEETING, WO NEW WELLHEAD, CUT OFF WELLHEAD WITH STUCK NIGHT CAP, WELD ON NEW WELLHEAD, RU, RU WIRELINE, RIH WITH GAUGE RING TO 1675', POOH, RIH WITH CIBP AND SET AT 1667', POOH, NUWH, NUBOP, RIH WITH PERF GUN AND PERF AT 1338', POOH, GOOD RATE INTO PERFS, RD WIRELINE, TIH WITH TUBING TO 1655', SIW,SDFN
2/21/2012	7:00 - 17:00	10.00	ABAND					PREJOB SAFETY MEETING, MIX AND PUMP 45SXS CLASS G CEMENT ON TOP OF CIBP AT 1667', TOH, NDBOP, NDWH, PU 9 5/8" CICR, TIH AND SET AT 1273', MIX AND PUMP 60SXS CLASS G CEMENT (40SXS UNDER, 20SXS ON TOP), TOH, NUWH, NUBOP, TIH TO 1000', LOAD HOLE WITH 100BLS TMAC, PRESSURE TEST CASING TO 500PSI HELD, MIX AND PUMP 80 SXS CLASS G CEMENT, TOH, NDBOP, NDWH, TIH TO 110', MIX AND PUMP 50SXS CLASS G CEMENT TO SURFACE, TOH, RD, DIG OUT WELLHEAD, SDFN WITNESSED BY: DAVE HACKFORD DOGM 39.946381/-109.391092
2/22/2012	7:00 - 17:00	10.00	ABAND					PREJOB SAFETY MEETING, DIG OUT WELLHEAD, CUT OFF WELLHEAD, WELD ON INFO PLATE, BACKFILL, CLEAN LOCATION, MO WITNESSED BY: DAVE HACKFORD DOGM

US ROCKIES REGION
Operation Summary Report

Well: NBU 1022-1314S				Spud Date: 11/15/2007				
Project: UTAH-UINTAH			Site: WHITE RIVER PAD				Rig Name No: BILL JRS RATHOLE DRILLING 3/3, PETE MARTIN DRILLING/UNK	
Event: DRILLING			Start Date: 11/15/2007				End Date:	
Active Datum: RKB @5,310.00usft (above Mean Sea Level)			UWI: NBU 1022-1314S					
Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
11/15/2007	0:00 - 19:00	19.00	DRLCON	12		P		WAIT ON PETE MARTIN BUCKET RIG
	19:00 - 0:00	5.00	DRLCON	02		P		MOVE IN AND RIG UP AIR RIG SPUD WELL @ 1900 HR 11/15/07 DRILL AND SET 40' OF SCHEDULE 10 PIPE DRILL RODENT HOLES FOR RIG 83 BLM AND STATE NOTFIED OF SPUD
12/7/2007	0:00 - 6:30	6.50	DRLSUR	12		P		WAIT ON BILL JR AIR RIG
	6:30 - 8:30	2.00	DRLSUR	02		P		MOVE IN AND RIG UP AIR RIG SPUD WELL @ 0630 HR 12/7/07 DRILL TO 150' SHANK HAMMER BIT TOOH AND WAIT FOR NEW HAMMER
	8:30 - 14:00	5.50	DRLSUR	12		Z		WAIT ON NEW HAMMER FROM VERNAL
	14:00 - 18:00	4.00	DRLSUR	02		P		RIH TO 150' AND DRILL TO 540' AND SDFN
12/8/2007	18:00 - 0:00	6.00	DRLSUR	12		P		SDFN
	0:00 - 6:00	6.00	DRLSUR	12		P		SDFN
	6:00 - 17:00	11.00	DRLSUR	02		P		RIH TO 540' DRILL PIOLET HOLE TO 1020' T/D CONDITION HOLE 1 HR TOOH
	17:00 - 19:00	2.00	DRLSUR	05		P		TOOH LOST SNAP RIG OFF HAMMER BIT IN HOLE SDFN AND WILL RUN MAGNET 12/9/07 SDFN
12/9/2007	19:00 - 0:00	5.00	DRLSUR	12		P		SDFN
	0:00 - 7:00	7.00	DRLSUR	12		P		SDFN
	7:00 - 11:00	4.00	DRLSUR	16		Z		RIH WITH MAGNET AND RETRIVE SNAP RING TOOH RIG DOWN AIR RIG
12/17/2007	11:00 - 0:00	13.00	DRLSUR	12	A	P		WOAR
	0:00 - 4:30	4.50	DRLSUR	12		P		WAIT ON BILL JR AIR RIG
	4:30 - 12:00	7.50	DRLSUR	02		P		MOVE OVER AND RIG UP AIR RIG SPUD WELL @ 0430 HR 12/17/07 HIT TRONA WATER @ 1410' DA AT REPORT TIME 1440'
	12:00 - 0:00	12.00	DRLSUR	02		P		RIG DRILLING AHEAD CIRCULATING WITH SKID PUMP WITH FULL RETURNS 1710'
12/18/2007	0:00 - 8:00	8.00	DRLSUR	02		P		RIG T/D WELL @ 2160' CONDITION HOLE 1 HR WITH FULL RETURNS
	8:00 - 11:00	3.00	DRLSUR	05		P		TRIP DP OUT OF HOLE
	11:00 - 15:00	4.00	DRLSUR	11		P		RUN 2115' OF 9 5/8 CSG AND 200' OF 1" PIPE RIG DOWN AIR RIG
	15:00 - 16:00	1.00	DRLSUR	15		P		CEMENT 1ST STAGE WITH 200 SKS LEAD @ 11# 3.82 23 GAL/SK AND 200 SKS TAIL @ 15.8# 1.15 5.0 GAL/SK NO RETURNS THRUOUT JOB 50 PSI LIFT
12/19/2007	16:00 - 16:30	0.50	DRLSUR	15		P		1ST TOP JOB 125 SKS DOWN BS WOC
	16:30 - 18:30	2.00	DRLSUR	15		P		2ND TOP JOB 100 SKS DOWN BS WOC
	18:30 - 20:30	2.00	DRLSUR	15		P		3RD TOP JOB 100 SKS DOWN BS WOC
	20:30 - 22:30	2.00	DRLSUR	15		P		4TH TOP JOB 150 SKS DOWN BS WOC
	22:30 - 0:00	1.50	DRLSUR	15		P		5TH TOP JOB 225 SKS DOWN BS WOC
	0:00 - 2:00	2.00	DRLSUR	15		P		WOC
	2:00 - 2:30	0.50	DRLSUR	15		P		6TH TOP JOB 200 SKS DOWN BS WOC
	2:30 - 5:00	2.50	DRLSUR	15		P		7TH TOP JOB 300 SKS DOWN BS GOOD CMT TO SURFACE AND STAYED AT SURFACE
	5:00 - 0:00	19.00	DRLSUR	12		P		NO VISIBLE LEAKS PIT 1/2 FULL WORT